

INGHAM COUNTY, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

Board of Commissioners:

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Dianne Holman, Vice-Chairperson

Mike Severino, Vice-Chairperson Pro Tem

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Financial Services Division

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Independent Auditors:

Rehmann Robson

INTRODUCTORY SECTION

INGHAM COUNTY, MICHIGAN
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2007

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June 10, 2008

To the Board of Commissioners and the Citizens of Ingham County:

Transmitted herewith is Ingham County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2007. Ingham County's financial reporting requirements are mandated by Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that Ingham County issue an annual financial report, and that this report be audited by certified public accountants.

This report consists of management's representations concerning the finances of Ingham County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Ingham County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, our framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Ingham County's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Ingham County for the fiscal year ended December 31, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Ingham County's financial statements for the fiscal year ended December 31, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' report related specifically to the single audit is not included in this document, but is issued under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Ingham County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF INGHAM COUNTY GOVERNMENT

Ingham County, 576 square miles and with a current population of approximately 280,000, is located in the south-central portion of Michigan's Lower Peninsula. The County is a focal point for Michigan's highway system, with major highways providing easy access to and from Detroit, Grand Rapids, Flint, Kalamazoo, and Ann Arbor. Commercial air service is provided from Lansing, and there is a network of rail freight service as well as Amtrak. The City of Lansing, located in the northwest corner, is the County's major population and retail center and the State Capital.

Ingham County is governed by a sixteen-member Board of Commissioners. Each Commissioner is elected on a partisan basis for terms of two years from single-member districts that are approximately equal in population. The Board annually elects from its ranks a Chairperson, Vice Chairperson and Vice Chairperson Pro Tem by majority vote. The administration of the County, other than as delegated to elected officials, is guided by the County Controller who is appointed by a two-thirds vote of the Board of Commissioners and serves at its pleasure. Primary functions of the Board include determination of the types and levels of services, adoption of the budget, equalization of property values, legislative oversight of services, and appointment of various boards, commissions and County officials.

Judges of the 30th Judicial Circuit and the Probate Court are elected at large for six-year terms, while the Judges of the 55th District Court are elected from the area of the County outside of Lansing and East Lansing (Lansing and East Lansing both have their own district courts). Operation of the court system is under the auspices of the Michigan Supreme Court and the respective presiding judges, while County government primarily provides financial support.

Administration of the County is divided by the Michigan Constitution among various statutory officials, including the County Treasurer, County Clerk, Register of Deeds, Prosecuting Attorney, Drain Commissioner and Sheriff, who are elected at-large for four-year terms. The County Treasurer is the custodian of all funds, administers the collection of delinquent property taxes, and performs other duties concerned with interrelated fiscal affairs of county departments and agencies. The duties of the County Clerk include keeping and maintaining records of births, deaths, marriages and discharges of military personnel, and serving as Clerk of the Board of Commissioners. The duties of the Register of Deeds include the recording of deeds, mortgages, surveys, plats, notices of liens and bills of sales. The Prosecuting Attorney prosecutes violations of state criminal law within the county and may represent the County in appropriate courts. The County Drain Commissioner administers the location, construction and maintenance of drains in the county. The Sheriff's duties involve the charge and custody of the County Jail, the serving of processes and primary law enforcement response in areas of the county without local police functions.

In addition, the Board of Commissioners appoints several County officials, including the Board Coordinator, the Controller, Health Officer, Medical Examiner and Equalization Director with responsibilities as defined by statute, County ordinance or resolution. The Controller's responsibilities include direction of central administrative functions of the County government and acting as a liaison on behalf of the Board of Commissioners between County offices, appointed officials and the general public. The Health Officer directs the operation of the County Health Department in accordance with Board of Commissioner's directions and as authorized by State law. The Medical Examiner serves as the Medical Director of the Health Department as well as performing the statutory duties of Medical Examiner. The Equalization Director oversees the equalization process of the County as prescribed by law. The Animal Control Director enforces appropriate State law and the Ingham County Animal Control Ordinance with respect to insuring the public safety in animal-related matters.

The Board of Commissioners also appoints various boards and commissions to oversee specific County services and to advise the Board on certain matters of interest. Appointments to boards overseeing specific County functions include the Department of Human Services Board, the Board of County Road Commissioners, the Board of Park Trustees, the Capital Area District Library Board, the Economic Development Corporation Board, the Ingham Medical Center Board of Trustees and the Housing Commission. Appointments to advisory committees include the Women's Commission, the Equal Opportunity Commission, the Youth Commission, and the Board of Health. Finally, the Board also appoints representatives to regional bodies overseeing programs in the areas of airport operations, aging, manpower training, planning and substance abuse.

The business of the County is carried out on a daily basis by some 1,500 employees located on several different campuses throughout the county. Primary locations are downtown Lansing, south Lansing and Mason, the county seat.

County government provides a diverse array of services in the areas of human services, law enforcement, justice administration, recreation, education, elections, and record keeping. In any one day, hundreds of people access County services:

- They may be utilizing one of the many public health, sanitation or disease control services provided by the Health Department, the support services of County Veteran Affairs, or the residential services of the Medical Care Facility or Ingham County Housing Commission. They may be utilizing one of the many other human service programs supported by county funds in mental health, substance abuse, aging, special transportation or youth violence prevention.
- They may be utilizing the services of the County Prosecutor, County Sheriff, or the Courts, or anticipating the arrival of the law enforcement, fire, or emergency medical personnel dispatched by County-supported 911 centers.
- They may be obtaining birth, death, tax or property information from the Offices of the County Clerk, Treasurer, or Register of Deeds; participating in elections; or getting assistance in drainage-related problems from the Drain Commissioner.
- They may be attending educational events sponsored by Cooperative Extension, enjoying one of the many county parks, or visiting the county fairground.

LONG-TERM FINANCIAL PLANNING

Ingham County, through Board Resolution, has adopted a policy on financial reserves. The purpose of the policy is to maintain financial reserves appropriate to providing for the stable operation of the county government; to assure that the County's financial obligations will be met; and to assure continuation of a strong credit rating. Reserves addressed in the policy are the General Fund, the Budget Stabilization Fund and the Public Improvement Fund.

The County's goal for the General Fund is an unreserved undesignated fund balance of at least 5% of the general fund expenditures of the preceding year. The goal for the Budget Stabilization Fund is to maintain the legal maximum balance of 15% of the average of the last five years' budget or 15% of the current year's budget, whichever is less, but not less than 13%. The goal for the Public Improvement Fund is to maintain sufficient reserves to address annual needs for maintaining county facilities in an appropriate state of repair. The Public Improvement Fund desired level of funding was set at 1/10 mill of the property tax levy. The County Controller provides an annual status report to the Finance Committee and provides recommendations for maintaining the balances at appropriate levels.

Ingham County's strategic plan provides the foundation for budgetary decisions by establishing a vision, mission and long-range objectives. In addition to the strategic plan, the Board of Commissioners adopts a resolution each year which sets priorities for the development of the budget. The principles in the resolution are consistent with the objectives in the strategic plan, but detail specific priorities which reflect current issues.

The priorities identified by the Board of Commissioners over the past several years have consistently included expanding access to health care, expanding recreational opportunities, and increasing the continuum of sanctions and placements for youth and adults. Other priorities have included encouraging the participation of youth in county government, assuring an appropriate level of services to victims of domestic violence and sexual assault, exploring ways to expand and improve services for seniors, improving the overall jury selection system, exploring more equitable ways of governing and financing the Capital Region Airport, and examining the implications of regional land use on the region's future. Through its discussions and actions, each new Board of Commissioners will determine what priorities it wishes to continue and what new ones to establish. Priorities for the 2008 budget year include assuring accessible health care, supporting recreational opportunities, and promoting environmental protection and smart growth.

The County maintains real-time budgetary controls using an integrated financial management software package. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. Activities of the general and special revenue funds are included in the annual appropriated budget. A five-year financial plan is adopted for the capital project funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is established by defined cost categories within an activity or individual fund. Budgetary transfers are permitted in accordance with board-adopted budget policies. The County also maintains an encumbrance accounting system as one of its techniques of accomplishing budgetary control. Encumbered amounts lapse at year-end; however, they generally are reappropriated as part of the following year's budget.

FACTORS AFFECTING FINANCIAL CONDITION

Local economy. In addition to being the home of the State Capitol and State government, the County is also the home of Michigan State University, with General Motors Corporation having a significant presence. The Lansing Grand River Assembly plant was opened in 2001. The 2,000,000 square foot plant is the main plant for Cadillac. GM has announced plans to add another 120,000 square feet to the plant to prepare for the production of the next-generation CTS. The Lansing Regional Stamping Plant was opened in nearby Delta Township in 2003 and an assembly plant was added in 2006.

Ingham County is also the site of several large industrial firms, two major hospital organizations and several other educational institutions. Also of economic importance is agriculture, including dairy, livestock and general farming.

Manufacturing, government, education and health care occupations represent the major employment sources. The triad of Michigan State University, General Motors Corporation and State government has served as a catalyst to give the area a well-educated, well-trained and highly skilled work force.

The stable and diverse economic base has made Ingham County an attractive employment and consumer market. Unemployment rates have been consistently below State averages, resident wealth levels are above regional norms for counties, and the labor force is bolstered by a sizeable student population with the presence of Michigan State University.

The tax base has grown steadily over the past several years. Property values for the County are estimated at \$19.4 billion based on the 2007 County Equalization Report. The values of real property increased by 3.34% while the value of personal property fell by 4.18%. The total estimated *true cash value* translates to a state equalized value of \$9.7 billion. The total change in equalized value was 2.91%. A 1994 amendment to the Michigan Constitution limits increases in the *taxable value* of most property to the lower of the rate of inflation or 5% until the property is sold. Upon sale, the taxable value is set to the equalized value. The 2007 taxable value, used for the 2007 summer and winter tax levies, was \$7.4 billion after adjustments for taxable value captured by tax increment financing and downtown development authorities. This is a 4.2% increase over the 2006 adjusted taxable value.

In October 2004, new legislation was passed to gradually move up property tax collections from the winter to the summer over the succeeding three years. The legislation also provided for the creation of a special revenue fund to temporarily replace state revenue sharing. With state revenue sharing declining over the past several years, this legislation provides a short-term resolution to the budgetary conflict between the state and county governments.

In spite of significant financial challenges associated with a weak economy, and declining state tax revenues, Ingham County continues to provide a high quality of services to its 280,000 residents. Services are provided by dedicated elected and appointed officials, and employees in the areas of health and human services, law enforcement and justice administration, recreation, elections, and record keeping. Over the past several years, the Board of Commissioners has strived to maintain all county services at an acceptable level, but has placed particular importance on expanding recreational opportunities, providing uninsured residents with access to health care, and improving the adult and juvenile justice systems.

Goals and Accomplishments

- The operation and maintenance of Lansing's Potter Park Zoo was transferred to Ingham County in July 2007. The City of Lansing had been subsidizing the Zoo for many years but at a level that could not adequately sustain the facility. City officials sought help from Ingham County to provide a stable long-term funding base for this regional zoo. County voters overwhelming approved a special county-wide millage in November 2006. A lease and operational agreement was negotiated between the City of Lansing and Ingham County wherein Ingham County will maintain and operate both the Potter Park Zoo and the adjacent Potter Park. As a result of the hard work and dedication of the staff, the Zoo received AZA accreditation, which will greatly enhance its ability to grow and improve.
- An action plan for the Continuum of Care for youth was implemented in 2007. The plan includes recommendations to develop model programs and facilities for at-risk and adjudicated youth. Late in 2007, the Board of Commissioners authorized the purchase of the Our Savior Lutheran property. Upon completion of upgrades and remodeling, this property will serve as the Continuum of Care facility. The *Ingham Academy*, currently operating at the Grady Porter Building, will be moved to this site. The Ingham Academy is a pilot program aimed at providing educational services to at risk youth. The purchase of the property is expected to be completed in early summer 2008.
- The Ingham County Parks Department in cooperation with the City of Lansing and with financial assistance from Soldan's Feeds and Pet Supply Store opened the first off-leash dog park in the tri-county area. The City of Lansing designated 17 acres of the Scott Woods Park for the site. The Ingham County Parks Department managed site development and operations.
- Animal Control Officer Yvonne Gaines was awarded the 2007 National Animal Control Officer of the Year award. The National Animal Control Association issues one award annually to the Animal Control Officer who has demonstrated outstanding efforts in the field of animal control work. The Ingham County Animal Control Department and the Board of Commissioners takes considerable pride in recognizing Ms. Gaines efforts and accomplishments.

Cash Management. Ingham County has been consistently conservative in its cash management. It is the policy of the County Treasurer to invest first for safety of the principal and second to maximize interest earnings. Because only a small portion of the County's portfolio can be covered by FDIC insurance, it is essential to continually evaluate the quality of the instruments purchased and the financial stability of the banks and other financial institutions with which deposits and investments are placed. Types of investments vary throughout the year depending on the County's cash flow requirements and the condition of the financial market. Typical deposits and investments include demand deposits, cash management mutual funds, certificates of deposit, U.S. Government securities, bankers' acceptances of United States banks, and high-quality commercial paper.

During 2007, invested cash earned interest at rates that varied within a range of 4.20% to 5.45%. We estimate that each one-quarter point change in the interest rates equates to an \$80,000 change in County interest revenue.

Risk Management. The County is self-insured for unemployment compensation and assumes a significant portion of the risk for workers' compensation, dental, vision, and general liability coverages. As part of the County's comprehensive risk management plan, resources are accumulated in internal service funds and reserves are on deposit with the Michigan Municipal Risk Management Authority (MMRMA) to meet potential losses. MMRMA, which is a governmental risk pool, provides \$15 million in liability coverage on an occurrence basis, with \$150,000 self-insured retention per liability claim, \$15,000 retention for each vehicle claim, and 10% retention on the first \$100,000 of property loss after a \$1,000 deductible.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ingham County for its comprehensive annual financial report (CAFR) for the year ended December 31, 2006. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

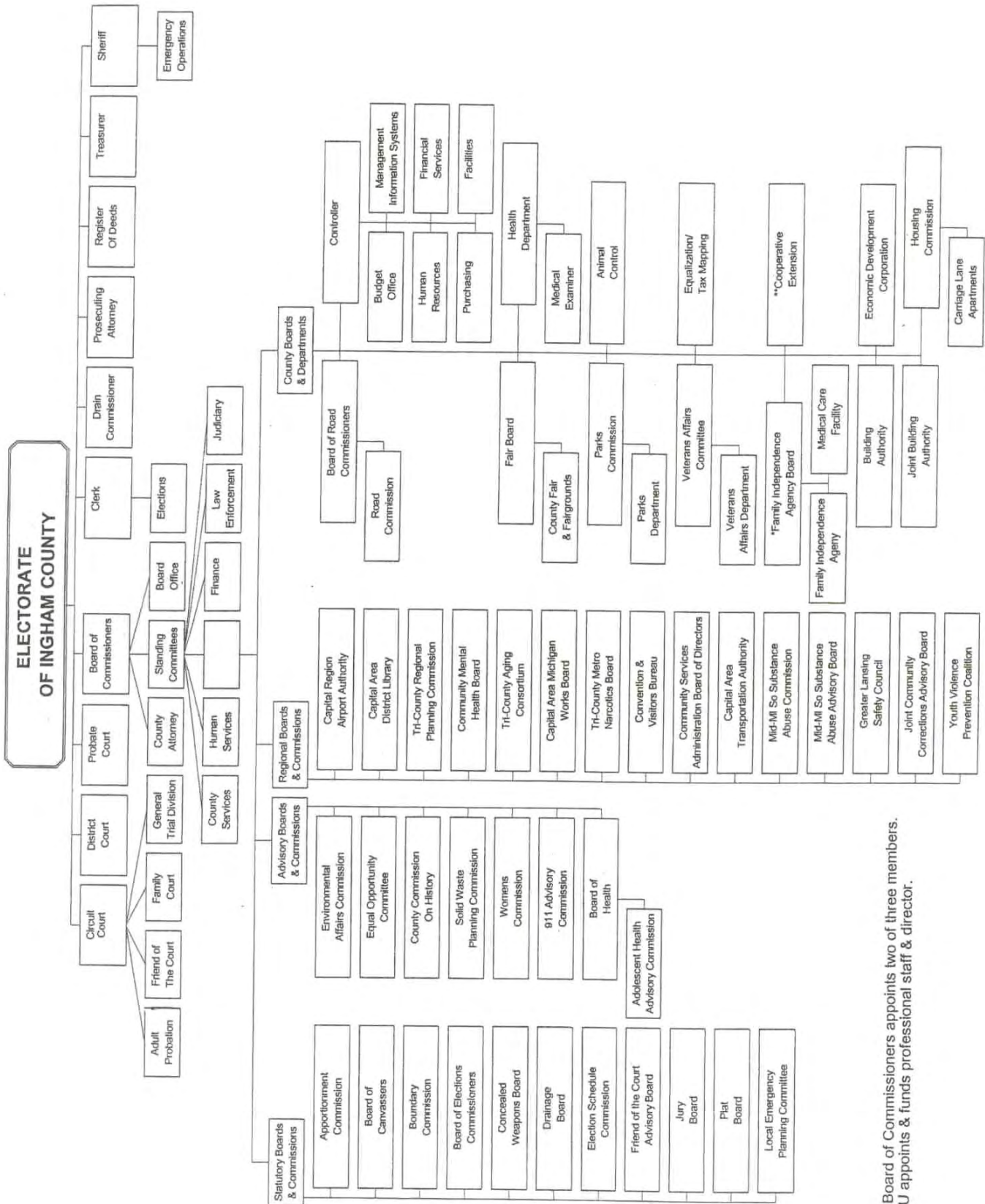
In addition, Ingham County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning January 1, 2006. In order to qualify for the Distinguished Budget Presentation Award, the budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Financial Services Division of the Controller's Office, the various other County departments, and the elected and appointed officials. My appreciation is extended to all those who assisted in and contributed to the preparation of this report. I would also like to thank the Ingham County Board of Commissioners for their continued interest and support in planning and conducting the financial operations of Ingham County in a responsible and progressive manner.

Respectfully yours,

A handwritten signature in black ink, reading "Matthew J. Myers". The signature is fluid and cursive, with the first name "Matthew" being the most prominent part.

Matthew Myers
Controller



* The Board of Commissioners appoints two of three members.
 ** MSU appoints & funds professional staff & director.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ingham County
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Enen

Executive Director

FINANCIAL SECTION



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



INDEPENDENT AUDITORS' REPORT

June 10, 2008

To the Board of Commissioners
of Ingham County, Michigan
Mason, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **INGHAM COUNTY, MICHIGAN**, as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ingham County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Ingham County Road Commission, which represents 55.2% of the assets and 79.5% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the Ingham County Road Commission, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Ingham County, Michigan**, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2008, on our consideration of **Ingham County, Michigan's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ingham County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION and ANALYSIS

MANAGEMENT'S DISCUSSION and ANALYSIS

As management of Ingham County we offer readers of Ingham County's financial statements this narrative overview and analysis of the financial activities of Ingham County for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iv-x of this report.

Financial Highlights

* The assets of Ingham County exceeded its liabilities at the close of the most recent fiscal year by over \$124 million (*net assets*). Of this amount, \$80.8 million (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors. Governmental activities contain \$72.4 million of the unrestricted net assets. The Medical Care Facility and the Delinquent Tax Revolving Fund contain most of the business-type unrestricted net assets.

* The County governmental activities showed a decrease of \$2.5 million in total net assets after the first year implementation of GASB Statement No. 45 and recording a liability and expense for other postemployment benefits of \$6.3 million. The first half year of operations for the Zoo special revenue fund and the accumulation of resources in the Juvenile Justice special revenue fund were significant offsetting factors. The Juvenile Justice funds will be used to purchase a new facility in 2008.

* At the close of 2007, Ingham County's governmental funds (this includes the general fund, special revenue, debt service and capital projects funds) reported combined ending fund balances of \$73.4 million. Of the total amount, approximately \$55.9 million is *available for spending* at the County's discretion (*unreserved and undesignated fund balance*).

* At the end of the fiscal year, unreserved and undesignated fund balance for the general fund was \$8.7 million or 11.1 percent of total general fund expenditures and transfers out. Total fund balance for the general fund was \$18.3 million.

* Ingham County's total debt decreased by \$1.2 million. A \$1.5 million increase in delinquent tax notes was required to accommodate a \$2.6 million increase in delinquent taxes. The scheduled redemptions of existing long term debt resulted in a net reduction in total debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Ingham County basic financial statements. The Ingham County basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Ingham County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Ingham County's assets and liabilities. The difference between assets and liabilities is reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Ingham County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Ingham County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Ingham County include general government, public safety, judicial, public works, health, welfare, education, economic development, and culture and recreation. The business-type activities of Ingham County include a medical care facility that provides long-term skilled nursing care, delinquent tax collections and property foreclosures, and the operations of the county fair, inmate concession, housing commission and local unit sewer debt refunding.

The government-wide financial statements include not only Ingham County itself, but also legally separate entities for which the County is financially accountable including the Road Commission, Drain Commission, Economic Development Corporation, Brownfield Redevelopment Authority, and Land Bank. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The Ingham County Building Authority, Housing Commission, Medical Care Facility, and Fair Board, although also legally separate, function for all practical purposes as departments of Ingham County, and therefore have been included as integral parts of the primary government.

The government-wide financial statements can be found on pages 14-16 this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Like other state and local governments, Ingham County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Ingham County can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Ingham County maintains 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Health, Emergency Telephone, and Revenue Sharing Reserve funds which are considered to be major funds. Data from the other 29 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17-24 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Ingham County uses 13 enterprise funds to account for its business-type activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Ingham County's various functions. Ingham County uses internal service funds to account for its equipment, employee fringe benefits, liability and workers' compensation insurances, and its management information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Medical Care Facility, Delinquent Tax Revolving, and Refunding Sanitary Sewer Project Numbers 3 & 4 funds, which are considered to be major funds of Ingham County. Data from the other ten enterprise funds are combined into a single aggregated presentation. Detailed financial information for each of the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Ingham County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on page 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-60 of this report.

County-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following schedule is a summary presentation of Ingham County's assets, liabilities, and net assets at December 31, 2007. The schedule shows the County's assets exceeded liabilities by \$124.3 million at the close of the most recent fiscal year.

Ingham County's Net Assets

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 118,200,235	\$ 113,078,932	\$ 34,756,747	\$ 32,067,353	\$ 152,956,982	\$ 145,146,285
Capital assets, net	46,808,933	49,071,939	10,334,281	10,766,967	57,143,214	59,838,906
Total assets	165,009,168	162,150,871	45,091,028	42,834,320	210,100,196	204,985,191
Long-term liabilities	27,679,029	30,135,502	15,241,182	14,529,842	42,920,211	44,665,344
Other liabilities	40,848,157	33,052,699	2,050,836	1,748,647	42,898,993	34,801,346
Total liabilities	68,527,186	63,188,201	17,292,018	16,278,489	85,819,204	79,466,690
Net assets:						
Invested in capital assets, net of related debt	22,895,764	24,201,263	10,334,281	10,766,967	33,230,045	34,968,230
Restricted	1,224,471	1,474,890	9,027,285	7,662,222	10,251,756	9,137,112
Unrestricted	72,361,747	73,286,517	8,437,444	8,126,642	80,799,191	81,413,159
Total net assets	\$ 96,481,982	\$ 98,962,670	\$ 27,799,010	\$ 26,555,831	\$ 124,280,992	\$ 125,518,501

Ingham County has a \$33.2 million investment in capital assets net of related debt. This represents 26.7 percent of total net assets. The investment in capital assets (e.g., land, buildings, machinery and equipment) is shown net of any related debt used to acquire those assets that is still outstanding. Ingham County uses these capital assets to provide service to citizens; consequently, these assets are **not** available for future spending.

Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net investment in capital assets decreased by approximately \$1.75 million. Net governmental capital assets decreased by \$2.3 million. Current depreciation was a significant factor, but was partially offset by principal payments on the related capital debt and additional capital acquisitions

An additional portion of Ingham County's net assets of \$10.3 million (8.2 percent) represents resources that are subject to external restrictions on how they may be used. Ingham County's *unrestricted net assets*, amounting to \$80.8 million, are the largest portion (65.1 percent) of total net assets. These assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2007 fiscal year, Ingham County is able to report positive balances in all three net asset categories (invested in capital assets net of related debt, restricted, and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

Ingham County's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue						
Program revenue:						
Charges for services	\$ 28,275,078	\$ 28,476,613	\$ 22,677,101	\$ 22,534,849	\$ 50,952,179	\$ 51,011,462
Operating grants and contributions	35,542,867	32,719,512	2,982,356	1,893,435	38,525,223	34,612,947
General revenue:						
Property taxes	67,738,831	73,640,058	-	-	67,738,831	73,640,058
Other	7,027,402	5,327,479	213,748	678,409	7,241,150	6,005,888
Total revenue	138,584,178	140,163,662	25,873,205	25,106,693	164,457,383	165,270,355
Expenses						
General government	21,890,574	22,193,079	-	-	21,890,574	22,193,079
Public safety	34,085,067	34,702,692	-	-	34,085,067	34,702,692
Judicial	14,781,873	13,541,035	-	-	14,781,873	13,541,035
Public works	3,833,701	2,925,389	-	-	3,833,701	2,925,389
Health	40,992,708	35,419,642	-	-	40,992,708	35,419,642
Welfare	18,829,335	15,597,913	-	-	18,829,335	15,597,913
Education	61,300	63,344	-	-	61,300	63,344
Economic development	446,815	160,504	-	-	446,815	160,504
Culture and recreation	7,129,690	5,384,014	-	-	7,129,690	5,384,014
Interest on long-term debt	1,026,837	1,161,496	-	-	1,026,837	1,161,496
Medical care facility	-	-	18,770,496	16,040,413	18,770,496	16,040,413
Delinquent tax collection	-	-	1,171,491	811,468	1,171,491	811,468
Sanitary sewer debt refunding	-	-	359,371	211,236	359,371	211,236
Housing	-	-	997,964	1,114,631	997,964	1,114,631
Inmate stores	-	-	404,793	380,267	404,793	380,267
County fair	-	-	1,036,998	1,791,383	1,036,998	1,791,383
Total expenses	143,077,900	131,149,108	22,741,113	20,349,398	165,819,013	151,498,506
Change in net assets before transfers	(4,493,722)	9,014,554	3,132,092	4,757,295	(1,361,630)	13,771,849
Transfers	2,013,034	2,900,366	(1,888,913)	(1,843,523)	124,121	1,056,843
Change in net assets	(2,480,688)	11,914,920	1,243,179	2,913,772	(1,237,509)	14,828,692
Net assets, beginning of year	98,962,670	87,047,750	26,555,831	23,642,059	125,518,501	110,689,809
Net assets, end of year	\$ 96,481,982	\$ 98,962,670	\$ 27,799,010	\$ 26,555,831	\$ 124,280,992	\$ 125,518,501

The County's net assets decreased by \$1.2 million during the current year, most of which was in the governmental activities. In 2007, the County adopted GASB Statement No. 45 and, as a result, was required to record a liability and expense in the governmental activities in the amount of \$6.3 million for other postemployment benefits (i.e., retiree health care costs). This significant decrease was offset by certain increases in the Zoo special revenue fund and the accumulation of resources in the Juvenile Justice Millage Fund for the purchase of a building. The balance represents the degree to which costs have been controlled and major expenses have leveled off. Business-type activities offset \$1.2 million of the decrease in net assets.

Governmental activities. An analysis of the governmental activities' revenues and expenses shows a \$1.6 million decrease in revenues and \$11.9 million increase in expenses. Tax revenues account for substantially all of the decrease which was due in large part to the termination of the accelerated tax collections to fund the Revenue Sharing Reserve Fund. Increased tax revenue in the General Fund along with the new Zoo special revenue tax helped offset some of the eliminated tax revenue. Except for the expense recorded in the first year of implementing GASB Statement No. 45 and recording an expense for retiree health care, health expenditures accounted for substantially all of the other expenditure increase, but the additional expenditures were substantially funded by additional grant revenues and charges for services.

Business-type activities. Business-type activities increased Ingham County's net assets by \$1.2 million. Before transfers, business-type activities generated a \$3.1 million increase in net assets. The Delinquent Tax Revolving Fund traditionally transfers almost all of its annual earnings to the General Fund.

The Medical Care Facility is the recipient of the business-type operating grants. The grant is a Medicaid quality assurance supplement distributed by the State of Michigan. From these funds, the Medical Care Facility pays a quality assurance assessment to the Michigan Department of Community Health. In 2007, the Medical Care Facility netted more than \$328,000 from this transaction.

The Delinquent Tax Revolving Fund transferred \$2.1 million to the General Fund. Transfers between the governmental and business-type activities are not equal because of timing differences between funds with different fiscal year ends.

Financial Analysis of the Government's Funds

As noted earlier Ingham County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Ingham County's *governmental funds* is to provide information on near-term inflows, and balances of spendable resources. Such information is useful in assessing Ingham County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, Ingham County's governmental funds reported combined ending fund balances of \$73.4 million, an increase of \$0.3 million in comparison with the prior year. Most of this total amount (\$55.9 million) constitutes *unreserved and undesignated fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that is not available for new spending because it has already been committed for: advances to other funds or component units (\$1.7 million); health services by contractual agreement (\$1.8 million); and several other restricted purposes.

The General Fund is the chief operating fund of Ingham County. At the end of the fiscal year, the unreserved and undesignated fund balance of the general fund was \$8.7 million, and the total fund balance was \$18.3 million. As a measure of the general fund's liquidity it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.1 percent of total general fund expenditures and transfers out, while total fund balance represents 23.2 percent of that same amount.

The fund balance of Ingham County's general fund increased by \$1.4 million during the fiscal year. Revenues increased by roughly \$500,000 (less than 1.0%) while expenditures decreased by nearly \$1.6 million (or 2.8%). Notable changes on the expenditure side of the equation included a \$3.7 million decrease in public safety expenditures. The reduction in public safety expenditures was the result of a reorganization that transferred responsibility for the jail medical operations from the Sheriff's Office to the Health Department. The impact of this reorganization is reflected in the \$3.6 million increase in general fund transfers out.

Health Fund expenditures increased by \$4.2 million. The additional expenditures related to the jail medical operations are reflected in the \$1.6 million increase in the operating subsidy. It should be noted that the jail medical cost included in the Health Fund's operations represent activities for the nine month period ended September 30, 2007. The Health Fund is on a September 30 year end. The balance of the increased expenditures was funded by additional charges and grants.

The Revenue Sharing Reserve Fund had a total ending fund balance of \$22,968,884, a decrease of \$5.6 million during 2007. This fund is mandated by the State of Michigan and accounts for accelerated property tax collections that substitute for state revenue sharing payments. Annual tax payments, each equal to 1/3 of the annual property tax levy, were placed in this fund over three years, 2004-2006. Beginning in 2004 the County started withdrawing monies from this fund equal to the fiscal 2004 state revenue sharing payments adjusted for inflation. The County will continue drawing down revenue sharing from the reserve fund using an inflationary factor over the prior year amount. This fund will decline just over \$5.6 million per year until it is exhausted in four years.

The Emergency Telephone Fund is supported by a voted tax millage, state grant revenues and a telephone surcharge. The fund provides for construction and improvements to the emergency communication system and substantially all of the operational expenses of the Lansing and East Lansing dispatch centers. Revenues remained fairly stable while expenditures increased by 30%. Most of the \$0.9 million decrease for the year, which reduced fund balance to just under \$2.9 million, was related to enhancements and upgrades to the emergency dispatch systems.

Proprietary funds. Ingham County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Delinquent Tax Revolving Fund ended 2007 with unrestricted net assets of \$3.9 million following an increase in net assets for the year of \$0.3 million (essentially breakeven after the transfer out to the General Fund). The Medical Care Facility's unrestricted net assets were approximately \$3.7 million after an increase in net assets for the year of \$1.1 million which resulted from rate increases and cost control measures. The Refunding Sanitary Sewer No. 3 & 4 Fund ending net assets of \$25,025 represent accumulated interest earnings that will eventually reduce future lease payments. Other factors concerning the finances of these major business-type activities were addressed previously.

General Fund Budgetary Highlights

Comparisons between the original and final General Fund budget are unremarkable with the exception of the transfers out, which accommodated the reassignment of certain programs to the Health Fund as previously mentioned. The comparison of actual revenue with final budgeted revenue shows a significant negative variance in tax revenue, which is a result of the timing of collections. That is, deferred revenue for current property taxes was \$3.8 million at December 31, 2007 as compared to \$1.3 million a year earlier. This additional \$2.5 million of deferred revenue was collected subsequent to February 29, 2008 and the date of this report (i.e., after the 60 day *availability* measurement period). Had the collections occurred earlier, the budget variance would have been insignificant or positive.

Capital Assets and Debt Administration

Capital assets. Ingham County's investment in capital assets for its governmental and business-type activities as of December 31, 2007, amounts to \$46.8 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and machinery and equipment. Ingham County's investment in capital assets decreased by \$2.7 million. Governmental activities accounted for \$2.3 million of this decrease. Depreciation accounts for the decrease in capital assets.

Ingham County's Capital Assets

(net of depreciation)

	Governmental activities	
	2007	2006
Land	\$ 4,059,611	\$ 4,059,611
Construction in progress	101,071	150,378
Buildings	38,528,736	40,521,694
Machinery and equipment	4,119,515	4,394,866
Total	\$ 46,808,933	\$ 49,126,549

Additional information on the Ingham County's capital assets can be found in note III.C on pages 44-46 of this report.

Long-term debt. At the end of the 2007 fiscal year, Ingham County had total general obligation debt of \$37.4 million. The entire amount is backed by the full faith and credit of the County.

Ingham County's Outstanding Debt
General Obligation

	Governmental activities		Business-type activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 22,520,000	\$ 24,475,000	\$ 6,675,000	\$ 7,465,000	\$ 29,195,000	\$ 31,940,000
Delinquent tax notes	-	-	8,200,000	6,700,000	8,200,000	6,700,000
Total	\$ 22,520,000	\$ 24,475,000	\$ 14,875,000	\$ 14,165,000	\$ 37,395,000	\$ 38,640,000

Ingham County's bonded debt decreased by \$1.2 million (3.2 percent) during the fiscal year. The reduction in debt was the result of scheduled debt service payments.

Ingham County maintains a AAA rating from Standard and Poor's for its general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., state equalized value). The current debt limitation for Ingham County is \$971.4 million, which is significantly in excess of Ingham County's outstanding general obligation debt.

Additional information on the Ingham County's long-term debt can be found in note III-G on pages 49-52 of this report.

Economic Factors and Next Year's Budgets

In order to maintain financial stability over the long term, the budgeting practice at Ingham County is to not only adopt a balanced budget as required by law, but to manage its budget in a manner such that actual expenses do not exceed actual revenues on an annual basis. This policy, along with a nearly fully funded Budget Stabilization Fund, has given Ingham County the reserves necessary to address difficult economic times without resorting to a crisis-management approach. It has permitted the County Board to utilize its annual budget process as the primary vehicle to make decisions on the type and level of county services to be provided. When unexpected revenue losses or expenditure increases occur during the year, they are generally addressed through short term expenditure reduction measures such as reductions in controllable expenses, hiring delays, and deferrals of capital expenditures.

While property tax revenues have shown steady growth in the past, the housing crisis and the Michigan economy are having a detrimental impact on property values. Taxable values for 2007 increased 4.45% over the prior year. However, 2008 taxable values are projected to grow by only 1.67%. This situation provided some difficult challenges for the 2008 budget. In addition, state and federal revenue sources have had little or no growth, and in some cases have been reduced. Although revenue estimates were based on the best information available, there is a fair amount of uncertainty especially in the area of state revenues. Steps have been taken to address the unfunded liability for retiree health insurance costs. Ingham County has begun to address this issue by designating \$1 million of fund balance in the General Fund for this purpose and setting aside 0.5% of payroll in 2006 and 1% in 2007. An Employee Health Insurance Trust Fund was established by Board resolution in 2008.

The Revenue Sharing Reserve Fund as a replacement for state revenue sharing is expected to last through 2011. After that date, the State has promised to restore revenue sharing. The special purpose millage for juvenile justice was renewed in 2007.

Requests for Information

The financial report is designed to provide a general overview of the Ingham County's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, Ingham County Courthouse, Mason MI 48854.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

INGHAM COUNTY, MICHIGAN

Statement of Net Assets

December 31, 2007

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 77,764,986	\$ 8,485,524	\$ 86,250,510	\$ 12,629,212
Pooled cash and investments - restricted	374,187	7,629,232	8,003,419	-
Receivables, net	36,274,404	19,399,477	55,673,881	29,213,564
Internal balances	2,061,293	(840,571)	1,220,722	-
Other assets	1,725,365	41,588	1,766,953	2,763,777
Other assets - restricted	-	41,497	41,497	-
Capital assets not being depreciated	4,160,682	464,990	4,625,672	34,791,340
Capital assets being depreciated, net	42,648,251	9,869,291	52,517,542	99,941,153
Total assets	165,009,168	45,091,028	210,100,196	179,339,046
Liabilities				
Accounts payable and accrued liabilities	13,690,625	1,393,470	15,084,095	4,695,881
Accrued interest payable	375,168	111,090	486,258	-
Unearned revenue	20,480,579	15,357	20,495,936	125,912
Short-term notes payable	-	-	-	4,626,025
Net other postemployment benefit liability	6,301,785	530,919	6,832,704	117,140
Long-term liabilities:				
Due within one year	3,992,284	9,281,279	13,273,563	2,044,355
Due in more than one year	23,686,745	5,959,903	29,646,648	26,504,878
Total liabilities	68,527,186	17,292,018	85,819,204	38,114,191
Net assets				
Invested in capital assets, net of related debt	22,895,764	10,334,281	33,230,045	105,769,744
Restricted for:				
Statutory fees	-	585,278	585,278	-
Debt service	-	847,924	847,924	2,389,794
Capital improvements	465,450	7,594,083	8,059,533	-
Retiree health care benefits	759,021	-	759,021	-
Unrestricted	72,361,747	8,437,444	80,799,191	33,065,317
Total net assets	\$ 96,481,982	\$ 27,799,010	\$ 124,280,992	\$ 141,224,855

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Statement of Activities
For the Year Ended December 31, 2007

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 21,890,574	\$ 2,614,858	\$ 6,820,008	\$ -	\$ (12,455,708)
Public safety	34,085,067	6,394,525	3,649,850	-	(24,040,692)
Judicial	14,781,873	3,803,417	1,709,488	-	(9,268,968)
Public works	3,833,701	-	5,106	-	(3,828,595)
Health	40,992,708	14,632,514	13,544,562	-	(12,815,632)
Welfare	18,829,335	223,486	8,522,601	-	(10,083,248)
Education	61,300	-	54,762	-	(6,538)
Economic development	446,815	-	447,304	-	489
Culture and recreation	7,129,690	606,278	385,611	-	(6,137,801)
Interest on long-term debt	1,026,837	-	403,575	-	(623,262)
Total governmental activities	143,077,900	28,275,078	35,542,867	-	(79,259,955)
Business-type activities:					
Medical care facility	18,770,496	17,631,188	2,232,784	-	1,093,476
Delinquent tax collection	1,171,491	3,401,153	2,283	-	2,231,945
Sanitary sewer debt refunding	359,371	358,766	-	-	(605)
Housing	997,964	222,460	667,339	-	(108,165)
Inmate stores	404,793	392,598	-	-	(12,195)
County fair	1,036,998	670,936	79,950	-	(286,112)
Total business-type activities	22,741,113	22,677,101	2,982,356	-	2,918,344
Total primary government	\$ 165,819,013	\$ 50,952,179	\$ 38,525,223	\$ -	\$ (76,341,611)
Component units					
Road Commission	\$ 14,699,864	\$ 170,094	\$ 9,101,628	\$ 11,255,864	\$ 5,827,722
Land Bank	559,237	791,357	50,000	-	282,120
Brownfield Redevelopment	97,984	-	-	-	(97,984)
Drain Commission	4,988,840	975,136	352,838	2,729,152	(931,714)
Total component units	\$ 20,345,925	\$ 1,936,587	\$ 9,504,466	\$ 13,985,016	\$ 5,080,144

Continued...

INGHAM COUNTY, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended December 31, 2007

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
Changes in net assets				
Net (expense) revenue	\$ (79,259,955)	\$ 2,918,344	\$ (76,341,611)	\$ 5,080,144
General revenues:				
Property taxes	67,738,831	-	67,738,831	759
Taxes restricted for tourism programs	2,052,379	-	2,052,379	-
Unrestricted investment earnings	4,975,023	213,748	5,188,771	626,490
Other	-	-	-	12,350
Transfers - internal activities	2,013,034	(1,888,913)	124,121	-
Total general revenues and transfers	76,779,267	(1,675,165)	75,104,102	639,599
Change in net assets	(2,480,688)	1,243,179	(1,237,509)	5,719,743
Net assets, beginning of year, as restated	98,962,670	26,555,831	125,518,501	135,505,112
Net assets, end of year	<u>\$ 96,481,982</u>	<u>\$ 27,799,010</u>	<u>\$ 124,280,992</u>	<u>\$ 141,224,855</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

INGHAM COUNTY, MICHIGAN

Balance Sheet Governmental Funds December 31, 2007

	General Fund	Health Fund	Emergency Telephone Fund	Revenue Sharing Reserve Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 36,475,263	\$ 545,459	\$ 6,083,780	\$ -	\$ 28,494,825	\$ 71,599,327
Property taxes receivable	5,265,539	-	6,076,580	-	11,019,948	22,362,067
Accounts receivable	145,046	5,300,107	70,456	-	233,506	5,749,115
Accrued interest receivable	103,482	-	17,309	-	37,086	157,877
Interfund receivable	1,843,484	-	-	-	-	1,843,484
Due from other funds	6,924,008	299,159	-	28,605,529	2,569,750	38,398,446
Due from other governmental units	2,010,609	-	349,672	-	2,407,336	4,767,617
Prepaid items	111,678	18,375	-	-	-	130,053
Inventories	-	601,728	-	-	-	601,728
Deferred assets	801,263	-	-	-	-	801,263
Rehabilitation loans receivable	-	-	-	-	1,607,858	1,607,858
Advances to other funds	1,156,774	-	-	-	-	1,156,774
Advances to component unit	508,250	-	-	-	-	508,250
Total assets	<u>\$ 55,345,396</u>	<u>\$ 6,764,828</u>	<u>\$ 12,597,797</u>	<u>\$ 28,605,529</u>	<u>\$ 46,370,309</u>	<u>\$ 149,683,859</u>
Liabilities						
Accounts payable	\$ 556,653	\$ 790,090	\$ 3,390,650	\$ -	\$ 3,687,976	\$ 8,425,369
Salaries and related withholdings	1,138,498	695,947	-	-	319,378	2,153,823
Interfund payable	-	-	-	-	1,843,484	1,843,484
Due to other funds	29,890,898	985,328	-	5,636,645	982,539	37,495,410
Due to other governmental units	138,587	-	-	-	191,551	330,138
Deposits payable	-	-	-	-	1,312	1,312
Advances from other funds	-	100,000	-	-	33,496	133,496
Deferred revenue	5,328,371	2,506,607	6,318,852	-	11,751,463	25,905,293
Total liabilities	<u>37,053,007</u>	<u>5,077,972</u>	<u>9,709,502</u>	<u>5,636,645</u>	<u>18,811,199</u>	<u>76,288,325</u>
Fund balances						
Reserved for:						
Prepaid items and inventories	111,678	620,103	-	-	-	731,781
Advances	1,665,024	-	-	-	-	1,665,024
Contingent claims	10,000	-	-	-	-	10,000
Otto Clinic donations	-	65,875	-	-	-	65,875
Health services	1,410,309	360,340	-	-	-	1,770,649
Unreserved:						
Designated for future expenditures:						
General fund	6,382,685	-	-	-	-	6,382,685
Special revenue funds	-	640,538	-	-	6,204,915	6,845,453
Undesignated:						
General fund	8,712,693	-	-	-	-	8,712,693
Special revenue funds	-	-	2,888,295	22,968,884	21,228,139	47,085,318
Debt service funds	-	-	-	-	79,376	79,376
Capital projects funds	-	-	-	-	46,680	46,680
Total fund balances	<u>18,292,389</u>	<u>1,686,856</u>	<u>2,888,295</u>	<u>22,968,884</u>	<u>27,559,110</u>	<u>73,395,534</u>
Total liabilities and fund balances	<u>\$ 55,345,396</u>	<u>\$ 6,764,828</u>	<u>\$ 12,597,797</u>	<u>\$ 28,605,529</u>	<u>\$ 46,370,309</u>	<u>\$ 149,683,859</u>

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
For Governmental Funds to Net Assets of Governmental
Activities on the Statement of Net Assets
December 31, 2007

Fund balances - total governmental funds	\$ 73,395,534
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - capital assets	91,636,320
Deduct - accumulated depreciation	(46,777,328)

Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.

Add - long-term receivable included in deferred revenue	801,263
Add - uncollected property taxes deferred because not currently available	4,631,135

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - bonds payable and other debt	(23,863,282)
Deduct - accrued interest on bonds payable	(375,168)
Deduct - accrued compensated absences	(3,436,644)
Deduct - other postemployment benefit obligation	(6,301,785)

Premiums and discounts on bonds are reported as other financing sources or uses in governmental funds, whereas they are capitalized and amortized for net assets.

Deduct - unamortized bond premium	(412,699)
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Deferred charges for bond issuance costs are currently expended in the governmental funds, whereas they are capitalized and amortized for net assets.

	119,740
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Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net assets.

	252,521
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Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Add - net assets of governmental activities accounted for in internal services funds	6,848,819
Deduct - net assets allocated to business-type activities related to governmental activity in internal service funds	(36,444)

Net assets of governmental activities	\$ 96,481,982
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The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General Fund	Health Fund	Emergency Telephone Fund	Revenue Sharing Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 46,805,877	\$ -	\$ 6,071,221	\$ -	\$ 13,038,644	\$ 65,915,742
Licenses and permits	391,108	-	-	-	-	391,108
Intergovernmental	7,406,184	10,618,294	24,020	-	12,612,438	30,660,936
Charges for services	11,095,736	14,632,514	-	-	1,533,322	27,261,572
Fines and forfeits	622,398	-	-	-	-	622,398
Interest	3,204,647	507	560,864	-	1,039,913	4,805,931
Other	1,422,868	1,173,079	1,256,414	-	897,039	4,749,400
Proceeds from deferred assets	1,084,898	-	-	-	-	1,084,898
Total revenue	72,033,716	26,424,394	7,912,519	-	29,121,356	135,491,985
Expenditures						
Current:						
Public safety	20,804,215	-	8,783,475	-	1,800,414	31,388,104
Public works	324,202	-	-	-	3,509,499	3,833,701
Judicial	14,159,545	-	-	-	-	14,159,545
Culture and recreation	932,353	-	-	-	5,660,040	6,592,393
General government	14,714,752	-	-	-	5,446,201	20,160,953
Health	2,791,923	35,968,907	-	-	-	38,760,830
Welfare	349,742	-	-	-	17,116,546	17,466,288
Education	-	-	-	-	61,961	61,961
Economic development	358,289	-	-	-	87,211	445,500
Capital outlay	915,734	10,162	34,183	-	603,626	1,563,705
Debt service:						
Principal retirement	-	-	4,974	-	2,100,896	2,105,870
Interest and fiscal charges	-	-	864	-	1,106,180	1,107,044
Total expenditures	55,350,755	35,979,069	8,823,496	-	37,492,574	137,645,894
Revenues over (under) expenditures	16,682,961	(9,554,675)	(910,977)	-	(8,371,218)	(2,153,909)
Other financing sources (uses)						
Transfers in	8,165,178	9,890,606	-	-	17,525,056	35,580,840
Transfers out	(23,477,312)	(20,571)	-	(5,636,645)	(4,006,594)	(33,141,122)
Total other sources (uses)	(15,312,134)	9,870,035	-	(5,636,645)	13,518,462	2,439,718
Net change in fund balances	1,370,827	315,360	(910,977)	(5,636,645)	5,147,244	285,809
Fund balances, beginning of year, as restated	16,921,562	1,371,496	3,799,272	28,605,529	22,411,866	73,109,725
Fund balances, end of year	\$ 18,292,389	\$ 1,686,856	\$ 2,888,295	\$ 22,968,884	\$ 27,559,110	\$ 73,395,534

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Reconciliation of the Statement of Revenues
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2007

Net change in fund balances - total governmental funds \$ 285,809

Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	1,128,021
Deduct - depreciation expense	(3,143,657)
Deduct - loss on disposal of capital assets	(5,093)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deduct - change in deferred long-term receivable	(952,367)
Add - change in <i>unavailable</i> property taxes receivable	3,875,468

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds.

Add - principal payments on long-term bonds and other debt	2,105,870
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Accrued interest expense on debt and the amortization of bond issuance costs, discounts, premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal changes for purposes of net assets.

Add - decrease in accrual for accrued interest payable	65,645
Add - amortization of premium on bonds	37,518
Deduct - amortization of deferred loss on bond refunding	(22,956)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Add - decrease in accrual for compensated absences	166,372
Deduct - increase in obligation for other postemployment benefits	(6,301,785)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of those funds is reported with governmental activities.

Add - net operating income in internal service funds	577,483
Deduct - portion of net operating income allocated to business-type activities	(10,850)
Add - investment earnings in governmental internal services funds	169,092
Deduct - interest paid from governmental internal service funds	(7,300)
Deduct - loss on disposal of governmental internal service fund capital assets	(21,274)
Add - transfers received in governmental internal service funds	489,846
Deduct - transfers made from governmental internal service funds	(916,530)

Change in net assets of governmental activities	\$ (2,480,688)
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The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
General Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)	2006 Actual
Revenues					
Taxes	\$ 47,567,896	\$ 48,146,179	\$ 46,805,877	\$ (1,340,302)	\$ 47,669,208
Licenses and permits	383,000	428,048	391,108	(36,940)	334,769
Intergovernmental	6,305,197	7,229,051	7,406,184	177,133	7,048,753
Charges for services	11,974,541	12,054,841	11,095,736	(959,105)	10,931,874
Fines and forfeits	452,600	560,032	622,398	62,366	719,076
Interest	2,100,000	2,100,000	3,204,647	1,104,647	2,110,557
Other	450,597	1,090,764	1,422,868	332,104	1,376,679
Proceeds from deferred asset	794,022	794,022	1,084,898	290,876	1,380,021
Total revenue	<u>70,027,853</u>	<u>72,402,937</u>	<u>72,033,716</u>	<u>(369,221)</u>	<u>71,570,937</u>
Expenditures					
Current:					
Public safety	22,934,874	21,792,162	20,804,215	987,947	24,488,565
Public works	150,500	324,422	324,202	220	128,688
Judicial	13,407,699	14,196,713	14,159,545	37,168	13,285,392
Culture and recreation	717,230	944,480	932,353	12,127	995,672
General government	14,771,525	15,110,090	14,714,752	395,338	14,075,295
Health	2,793,268	2,791,986	2,791,923	63	2,690,774
Welfare	357,723	359,493	349,742	9,751	342,887
Economic development	438,672	440,272	358,289	81,983	160,504
Capital outlay	418,574	970,056	915,734	54,322	760,142
Total expenditures	<u>55,990,065</u>	<u>56,929,674</u>	<u>55,350,755</u>	<u>1,578,919</u>	<u>56,927,919</u>
Revenue over expenditures	<u>14,037,788</u>	<u>15,473,263</u>	<u>16,682,961</u>	<u>1,209,698</u>	<u>14,643,018</u>
Other financing sources (uses)					
Transfers in	8,100,550	8,228,898	8,165,178	(63,720)	7,845,210
Transfers out	<u>(21,919,833)</u>	<u>(25,988,204)</u>	<u>(23,477,312)</u>	<u>2,510,892</u>	<u>(19,850,909)</u>
Total other financing uses	<u>(13,819,283)</u>	<u>(17,759,306)</u>	<u>(15,312,134)</u>	<u>2,447,172</u>	<u>(12,005,699)</u>
Net change in fund balance	218,505	(2,286,043)	1,370,827	3,656,870	2,637,319
Fund balance, beginning of year	<u>16,921,562</u>	<u>16,921,562</u>	<u>16,921,562</u>	<u>-</u>	<u>14,284,243</u>
Fund balance, end of year	<u>\$ 17,140,067</u>	<u>\$ 14,635,519</u>	<u>\$ 18,292,389</u>	<u>\$ 3,656,870</u>	<u>\$ 16,921,562</u>

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Health Special Revenue Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)	2006 Actual
Revenues					
Intergovernmental	\$ 7,931,169	\$ 8,760,386	\$ 10,618,294	\$ 1,857,908	\$ 9,430,782
Charges for services	15,555,753	15,719,201	14,632,514	(1,086,687)	13,555,026
Interest	-	-	507	507	2,781
Other	675,311	1,831,284	1,173,079	(658,205)	512,567
Total revenue	24,162,233	26,310,871	26,424,394	113,523	23,501,156
Expenditures					
Health:					
Personnel services	21,693,937	22,241,304	21,023,032	1,218,272	19,826,919
Controllable	10,653,791	14,054,650	13,822,248	232,402	10,709,232
Noncontrollable	1,096,820	1,123,627	1,123,627	-	1,193,477
Capital outlay	-	190,500	10,162	180,338	31,845
Total expenditures	33,444,548	37,610,081	35,979,069	1,631,012	31,761,473
Revenue under expenditures	(9,282,315)	(11,299,210)	(9,554,675)	1,744,535	(8,260,317)
Other financing sources (uses)					
Transfers in	9,420,845	11,256,461	9,890,606	(1,365,855)	8,272,120
Transfers out	(138,530)	(157,251)	(20,571)	136,680	(12,773)
Total other financing sources	9,282,315	11,099,210	9,870,035	(1,229,175)	8,259,347
Net change in fund balance	-	(200,000)	315,360	515,360	(970)
Fund balance, beginning of year	1,371,496	1,371,496	1,371,496	-	1,372,466
Fund balance, end of year	\$ 1,371,496	\$ 1,171,496	\$ 1,686,856	\$ 515,360	\$ 1,371,496

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Emergency Telephone Special Revenue Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>	<u>2006 Actual</u>
Revenues					
Taxes	\$ 5,989,546	\$ 6,018,938	\$ 6,071,221	\$ 52,283	\$ 5,930,604
Intergovernmental	-	27,630	24,020	(3,610)	235,426
Interest	200,000	428,592	560,864	132,272	292,001
Other	<u>1,340,000</u>	<u>1,402,782</u>	<u>1,256,414</u>	<u>(146,368)</u>	<u>1,216,765</u>
Total revenue	<u>7,529,546</u>	<u>7,877,942</u>	<u>7,912,519</u>	<u>34,577</u>	<u>7,674,796</u>
Expenditures					
Public safety	7,199,546	8,804,154	8,783,475	20,679	6,461,159
Capital outlay	-	34,184	34,183	1	313,901
Debt service:					
Principal retirement	-	4,974	4,974	-	5,838
Interest and fiscal charges	<u>-</u>	<u>864</u>	<u>864</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,199,546</u>	<u>8,844,176</u>	<u>8,823,496</u>	<u>20,680</u>	<u>6,780,898</u>
Net change in fund balance	330,000	(966,234)	(910,977)	55,257	893,898
Fund balance, beginning of year	<u>3,799,272</u>	<u>3,799,272</u>	<u>3,799,272</u>	<u>-</u>	<u>2,905,374</u>
Fund balance, end of year	<u>\$ 4,129,272</u>	<u>\$ 2,833,038</u>	<u>\$ 2,888,295</u>	<u>\$ 55,257</u>	<u>\$ 3,799,272</u>

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Revenue Sharing Reserve Special Revenue Fund
Statement of Revenues, Expenditures,
and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>	<u>2006 Actual</u>
Revenues					
Taxes	\$13,807,395	\$ -	\$ -	\$ -	\$13,807,395
Other financing uses					
Transfers out	<u>(5,560,547)</u>	<u>(5,636,645)</u>	<u>(5,636,645)</u>	<u>-</u>	<u>(5,435,530)</u>
Net change in fund balance	8,246,848	(5,636,645)	(5,636,645)	-	8,371,865
Fund balance, beginning of year	<u>28,605,529</u>	<u>28,605,529</u>	<u>28,605,529</u>	<u>-</u>	<u>20,233,664</u>
Fund balance, end of year	<u><u>\$36,852,377</u></u>	<u><u>\$22,968,884</u></u>	<u><u>\$22,968,884</u></u>	<u><u>\$ -</u></u>	<u><u>\$28,605,529</u></u>

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Medical Care Facility	Delinquent Tax Revolving	Refunding Sanitary Sewer No. 3 & 4	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets:						
Pooled cash and investments	\$ 4,557,394	\$ 3,014,058	\$ 24,964	\$ 859,547	\$ 8,455,963	\$ 5,335,069
Cash on deposit with agents	-	-	-	-	-	830,590
Delinquent real property taxes receivable	-	10,616,866	-	-	10,616,866	-
Accounts receivable, net	1,974,336	23,942	-	43,981	2,042,259	271,560
Accrued interest receivable	-	7,831	11	328	8,170	5,178
Due from other funds	-	-	-	68,825	68,825	632,354
Due from other governmental units	-	-	24,483	32,699	57,182	513,369
Current portion of leases receivable	-	-	605,000	220,000	825,000	-
Inventories	15,477	-	-	-	15,477	9,288
Prepaid items	23,686	677	-	1,748	26,111	63,293
Total current assets	6,570,893	13,663,374	654,458	1,227,128	22,115,853	7,660,701
Noncurrent assets:						
Pooled cash and investments - restricted	7,611,213	-	-	47,580	7,658,793	374,187
Other assets - restricted	-	-	-	41,497	41,497	-
Leases receivable, net of current portion	-	-	2,800,000	3,050,000	5,850,000	-
Long-term accounts receivable	-	-	-	-	-	331,513
Capital assets not depreciated	132,832	-	-	332,158	464,990	-
Capital assets depreciated, net	6,750,739	4,596	-	3,113,956	9,869,291	1,949,941
Total noncurrent assets	14,494,784	4,596	2,800,000	6,585,191	23,884,571	2,655,641
Total assets	21,065,677	13,667,970	3,454,458	7,812,319	46,000,424	10,316,342
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	1,121,043	70,705	-	96,574	1,288,322	1,204,183
Due to other funds	198,003	-	-	56,072	254,075	129,418
Accrued interest payable	-	32,840	24,433	32,320	89,593	-
Capital leases payable, current	-	-	-	-	-	91,110
Compensated absences, current	308,648	4,810	-	4,860	318,318	127,815
Bonds/notes payable, current	-	8,200,000	605,000	220,000	9,025,000	-
Unearned revenue	-	-	-	15,357	15,357	7,684
Claims payable	40,438	-	-	-	40,438	1,575,800
Payable from restricted assets:						
Customer deposits payable	-	-	-	47,580	47,580	-
Accrued interest payable	-	-	-	21,497	21,497	-
Patient trust liability	17,130	-	-	-	17,130	-
Total current liabilities	1,685,262	8,308,355	629,433	494,260	11,117,310	3,136,010
Noncurrent liabilities:						
Bonds payable, net	-	-	2,800,000	3,070,000	5,870,000	-
Compensated absences, net	-	-	-	27,864	27,864	-
Net other postemployment benefit liability	530,919	-	-	-	530,919	-
Advances from other funds	636,030	-	-	55,735	691,765	331,513
Total noncurrent liabilities	1,166,949	-	2,800,000	3,153,599	7,120,548	331,513
Total liabilities	2,852,211	8,308,355	3,429,433	3,647,859	18,237,858	3,467,523
Net assets						
Invested in capital assets, net of related debt	6,883,571	4,596	-	3,446,114	10,334,281	1,858,831
Restricted for:						
Statutory delinquent tax administration fee	-	585,278	-	-	585,278	-
Debt service	-	839,610	-	8,314	847,924	-
Capital improvements	7,594,083	-	-	-	7,594,083	465,450
Retiree health care benefits	-	-	-	-	-	759,021
Unrestricted	3,735,812	3,930,131	25,025	710,032	8,401,000	3,765,517
Total net assets	\$ 18,213,466	\$ 5,359,615	\$ 25,025	\$ 4,164,460	27,762,566	\$ 6,848,819
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					36,444	
Net assets of business-type activities					<u>\$ 27,799,010</u>	

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Medical Care Facility	Delinquent Tax Revolving	Refunding Sanitary Sewer No. 3 & 4	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues						
Charges for services	\$17,631,188	\$ 73,067	\$ 192,498	\$ 1,233,920	\$ 19,130,673	\$ 23,029,216
Sales	-	-	-	392,598	392,598	-
Interest on taxes	-	1,894,850	-	15,994	1,910,844	-
Collection fees	-	1,242,986	-	-	1,242,986	-
Other	17,203	-	-	730,933	748,136	4,146,254
Total operating revenues	<u>17,648,391</u>	<u>3,210,903</u>	<u>192,498</u>	<u>2,373,445</u>	<u>23,425,237</u>	<u>27,175,470</u>
Operating expenses						
Administrative	-	596,494	-	1,639,819	2,236,313	6,502,645
Fees and insurance	-	426,624	-	-	426,624	8,341,773
Retirement contributions	-	-	-	-	-	5,863,992
Current and contingent claims	-	-	-	-	-	4,576,301
Depreciation	531,194	1,671	-	192,154	725,019	530,896
Other operating expenses	16,991,399	-	-	763,051	17,754,450	782,380
Total operating expenses	<u>17,522,593</u>	<u>1,024,789</u>	<u>-</u>	<u>2,595,024</u>	<u>21,142,406</u>	<u>26,597,987</u>
Operating income (loss)	<u>125,798</u>	<u>2,186,114</u>	<u>192,498</u>	<u>(221,579)</u>	<u>2,282,831</u>	<u>577,483</u>
Nonoperating revenues (expenses)						
Investment earnings	689,066	201,644	609	27,851	919,170	169,092
Quality assurance supplement	1,526,515	-	-	-	1,526,515	-
Quality assurance expense	(1,198,477)	-	-	-	(1,198,477)	-
Maintenance of effort	(41,553)	-	-	-	(41,553)	-
Interest and fiscal charges	(7,873)	-	(192,498)	(166,873)	(367,244)	(7,300)
Loss on disposal of capital assets	-	-	-	-	-	(21,274)
Total nonoperating revenue (expenses)	<u>967,678</u>	<u>201,644</u>	<u>(191,889)</u>	<u>(139,022)</u>	<u>838,411</u>	<u>140,518</u>
Income (loss) before transfers	1,093,476	2,387,758	609	(360,601)	3,121,242	718,001
Transfers in	-	-	13,298	197,655	210,953	489,846
Transfers out	<u>-</u>	<u>(2,085,000)</u>	<u>-</u>	<u>(14,866)</u>	<u>(2,099,866)</u>	<u>(916,530)</u>
Change in net assets	1,093,476	302,758	13,907	(177,812)	1,232,329	291,317
Net assets, beginning of year, as restated	<u>17,119,990</u>	<u>5,056,857</u>	<u>11,118</u>	<u>4,342,272</u>	<u>26,530,237</u>	<u>6,557,502</u>
Net assets, end of year	<u>\$18,213,466</u>	<u>\$5,359,615</u>	<u>\$ 25,025</u>	<u>\$ 4,164,460</u>	<u>\$ 27,762,566</u>	<u>\$ 6,848,819</u>
Change in net assets - enterprise funds					\$ 1,232,329	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>10,850</u>	
Change in net assets - business-type activities					<u>\$ 1,243,179</u>	

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities -
	Medical Care Facility	Delinquent Tax Revolving	Refunding Sanitary Sewer No. 3 & 4	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 18,059,192	\$ 825,039	\$ 203,694	\$ 2,403,725	\$ 21,491,650	\$ 1,337,945
Receipts from interfund services	-	-	-	-	-	25,825,568
Payments to suppliers and claimants	(7,246,912)	(974,292)	-	(1,920,814)	(10,142,018)	(23,833,807)
Payments to employees	(9,034,848)	(6,242)	-	(648,665)	(9,689,755)	(2,948,027)
Other receipts	-	-	-	-	-	8,277
Net cash provided (used) by operating activities	<u>1,777,432</u>	<u>(155,495)</u>	<u>203,694</u>	<u>(165,754)</u>	<u>1,659,877</u>	<u>389,956</u>
Cash flow from noncapital financing activities						
Issuance of delinquent tax notes	-	16,000,000	-	-	16,000,000	-
Repayments on delinquent tax notes	-	(14,500,000)	-	-	(14,500,000)	-
Quality assurance supplement	1,526,515	-	-	-	1,526,515	-
Quality assurance expense	(1,198,477)	-	-	-	(1,198,477)	-
Maintenance of effort	(41,553)	-	-	-	(41,553)	-
Repayment of advances from other funds	(76,003)	-	-	(51,310)	(127,313)	-
Transfers in	-	-	13,298	197,655	210,953	489,846
Transfers out	-	(2,085,000)	-	(14,866)	(2,099,866)	(916,530)
Net cash provided (used) by non-capital financing activities	<u>210,482</u>	<u>(585,000)</u>	<u>13,298</u>	<u>131,479</u>	<u>(229,741)</u>	<u>(426,684)</u>
Cash flow from capital and related financing activities						
Acquisition and construction of capital assets	(119,032)	-	-	(31,681)	(150,713)	(255,284)
Principal paid on long-term debt	-	-	(580,000)	(210,000)	(790,000)	(119,463)
Interest and fiscal charges paid on long-term debt	(7,873)	-	(203,744)	(173,870)	(385,487)	(7,300)
Payments received on long term leases receivable	-	-	580,000	210,000	790,000	-
Net cash used by capital and related financing activities	<u>(126,905)</u>	<u>-</u>	<u>(203,744)</u>	<u>(205,551)</u>	<u>(536,200)</u>	<u>(382,047)</u>
Cash flow from investing activities						
Interest and dividends received	<u>744,713</u>	<u>215,391</u>	<u>642</u>	<u>29,346</u>	<u>990,092</u>	<u>179,461</u>
Net increase (decrease) in cash and cash equivalents	2,605,722	(525,104)	13,890	(210,480)	1,884,028	(239,314)
Pooled cash and investments, beginning of year	<u>9,562,885</u>	<u>3,539,162</u>	<u>11,074</u>	<u>1,117,607</u>	<u>14,230,728</u>	<u>6,779,160</u>
Pooled cash and investments, end of year	<u>\$ 12,168,607</u>	<u>\$ 3,014,058</u>	<u>\$ 24,964</u>	<u>\$ 907,127</u>	<u>\$ 16,114,756</u>	<u>\$ 6,539,846</u>
Reconciliation to statement of net assets						
Pooled cash and investments	\$ 4,557,394	\$ 3,014,058	\$ 24,964	\$ 859,547	\$ 8,455,963	\$ 5,335,069
Cash on deposit with agents	-	-	-	-	-	830,590
Restricted pooled cash and investments	<u>7,611,213</u>	<u>-</u>	<u>-</u>	<u>47,580</u>	<u>7,658,793</u>	<u>374,187</u>
Pooled cash and investments, end of year	<u>\$ 12,168,607</u>	<u>\$ 3,014,058</u>	<u>\$ 24,964</u>	<u>\$ 907,127</u>	<u>\$ 16,114,756</u>	<u>\$ 6,539,846</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 125,798	\$ 2,186,114	\$ 192,498	\$ (221,579)	\$ 2,282,831	\$ 577,483
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	531,194	1,671	-	192,154	725,019	530,896
Changes in assets and liabilities:						
Taxes receivable	-	(2,397,770)	-	-	(2,397,770)	-
Accounts receivable	538,048	11,906	-	28,306	578,260	(218,460)
Due from other funds	-	-	-	(16,854)	(16,854)	230,141
Due from other governmental units	-	-	11,196	6,823	18,019	-
Inventories	(357)	-	-	-	(357)	2,223
Prepaid items	18,037	(677)	-	(1,448)	15,912	(63,293)
Accounts payable	(67,092)	36,403	-	(130,717)	(161,406)	(283,644)
Salaries and amounts withheld therefrom	(2,682)	2,476	-	(26,593)	(26,799)	(11,429)
Other accrued liabilities	-	-	-	-	-	(16,697)
Compensated absences	14,137	-	-	4,423	18,560	-
Patient trust liability	1,239	-	-	-	1,239	-
Due to other funds	122,753	-	-	6,375	129,128	(467,552)
Interest payable	-	4,382	-	-	4,382	-
Customer deposits	-	-	-	(10,632)	(10,632)	-
Unearned revenue	-	-	-	3,988	3,988	(3,971)
Claims payable	(34,562)	-	-	-	(34,562)	114,259
Net other postemployment benefit obligation	<u>530,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,919</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 1,777,432</u>	<u>\$ (155,495)</u>	<u>\$ 203,694</u>	<u>\$ (165,754)</u>	<u>\$ 1,659,877</u>	<u>\$ 389,956</u>

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY
Statement of Fiduciary Net Assets - Agency Funds
December 31, 2007

Assets

Pooled cash and investments	\$ 4,295,778
Accounts receivable	97,841
Accrued interest receivable	<u>1,035</u>
 Total assets	 <u><u>\$ 4,394,654</u></u>

Liabilities

Undistributed receipts	\$ 3,825,043
Due to other governmental units	<u>569,611</u>
 Total liabilities	 <u><u>\$ 4,394,654</u></u>

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2007

	<u>Road Commission</u>	<u>Economic Development</u>	<u>Land Bank</u>	<u>Drain Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Total</u>
Assets						
Pooled cash and investments	\$ 2,699,365	\$ 3,771	\$ 120,601	\$ 7,841,484	\$ 1,963,991	\$ 12,629,212
Special assessments receivable	-	-	-	25,455,743	-	25,455,743
Accounts receivable	2,578,479	-	170,224	5,533	-	2,754,236
Accrued interest receivable	-	-	-	12,868	303	13,171
Due from other governmental units	-	-	-	990,414	-	990,414
Other assets	676,542	-	1,780,964	238,819	67,452	2,763,777
Capital assets not being depreciated	20,616,679	-	-	14,174,661	-	34,791,340
Capital assets being depreciated, net	<u>72,475,705</u>	<u>-</u>	<u>-</u>	<u>27,465,448</u>	<u>-</u>	<u>99,941,153</u>
Total assets	<u>99,046,770</u>	<u>3,771</u>	<u>2,071,789</u>	<u>76,184,970</u>	<u>2,031,746</u>	<u>179,339,046</u>
Liabilities						
Accounts payable and accrued expenses	1,110,178	-	59,954	1,615,802	154,557	2,940,491
Advances from primary government	-	-	-	508,250	-	508,250
Due to other governmental units	-	-	-	1,059,429	-	1,059,429
Deposits payable	-	-	-	187,711	-	187,711
Unearned revenue	-	-	-	125,912	-	125,912
Short-term notes payable	-	-	-	4,626,025	-	4,626,025
Net other postemployment benefit liability	117,140	-	-	-	-	117,140
Long-term liabilities:						
Due within one year	302,810	-	-	1,741,545	-	2,044,355
Due in more than one year	<u>351,849</u>	<u>-</u>	<u>1,574,146</u>	<u>22,613,419</u>	<u>1,965,464</u>	<u>26,504,878</u>
Total liabilities	<u>1,881,977</u>	<u>-</u>	<u>1,634,100</u>	<u>32,478,093</u>	<u>2,120,021</u>	<u>38,114,191</u>
Net assets						
Invested in capital assets, net of related debt	93,068,194	-	-	12,701,550	-	105,769,744
Restricted for debt service	-	-	-	2,389,794	-	2,389,794
Unrestricted (deficit)	<u>4,096,599</u>	<u>3,771</u>	<u>437,689</u>	<u>28,615,533</u>	<u>(88,275)</u>	<u>33,065,317</u>
Total net assets	<u>\$ 97,164,793</u>	<u>\$ 3,771</u>	<u>\$ 437,689</u>	<u>\$ 43,706,877</u>	<u>\$ (88,275)</u>	<u>\$ 141,224,855</u>

The accompanying notes are an integral part of these financial statements.

INGHAM COUNTY, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2007

	<u>Road Commission</u>	<u>Economic Development</u>	<u>Land Bank</u>	<u>Drain Commission</u>	<u>Brownfield Redevelopment Authority</u>	<u>Total</u>
Expenses						
General government	\$ -	\$ -	\$ -	\$ -	\$ 97,984	\$ 97,984
Public works	14,699,864	-	-	4,988,840	-	19,688,704
Economic development	-	-	559,237	-	-	559,237
Total expenses	<u>14,699,864</u>	<u>-</u>	<u>559,237</u>	<u>4,988,840</u>	<u>97,984</u>	<u>20,345,925</u>
Program revenues						
Charges for services	170,094	-	791,357	975,136	-	1,936,587
Operating grants and contributions	9,101,628	-	50,000	352,838	-	9,504,466
Capital grants and contributions	<u>11,255,864</u>	<u>-</u>	<u>-</u>	<u>2,729,152</u>	<u>-</u>	<u>13,985,016</u>
Total program revenues	<u>20,527,586</u>	<u>-</u>	<u>841,357</u>	<u>4,057,126</u>	<u>-</u>	<u>25,426,069</u>
Net program (expense) revenue	<u>5,827,722</u>	<u>-</u>	<u>282,120</u>	<u>(931,714)</u>	<u>(97,984)</u>	<u>5,080,144</u>
General revenues						
Property taxes	-	-	-	-	759	759
Unrestricted investment earnings	188,527	-	4,729	426,231	7,003	626,490
Other general revenues	<u>12,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,350</u>
Total general revenues	<u>200,877</u>	<u>-</u>	<u>4,729</u>	<u>426,231</u>	<u>7,762</u>	<u>639,599</u>
Change in net assets	6,028,599	-	286,849	(505,483)	(90,222)	5,719,743
Net assets, beginning of year, as restated	<u>91,136,194</u>	<u>3,771</u>	<u>150,840</u>	<u>44,212,360</u>	<u>1,947</u>	<u>135,505,112</u>
Net assets (deficit), end of year	<u><u>\$97,164,793</u></u>	<u><u>\$ 3,771</u></u>	<u><u>\$ 437,689</u></u>	<u><u>\$ 43,706,877</u></u>	<u><u>\$ (88,275)</u></u>	<u><u>\$ 141,224,855</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

**INGHAM COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

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INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Ingham County, Michigan (the “County” or “government”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

A. Reporting Entity

As required by generally accepted accounting principals, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Units

Ingham County Building Authority - The Building Authority is governed by a three-member board appointed by the Ingham County Board of Commissioners. Its sole function is to oversee the financing and construction, if any, of the County’s public buildings; therefore, it is reported as if it were part of the primary government.

Discretely Presented Component Units

Ingham County Road Commission (the “Road Commission”) - The Road Commission, established pursuant to State statutes, is governed by a three-member board appointed by the County for six-year terms. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, such taxes would be levied under the taxing authority of the County and included as part of the County’s total tax levy as well as reported in the Road Commission.

The Road Commission is responsible for the maintenance and construction of approximately 1,200 miles of county roads, which are financed primarily through gasoline, diesel fuel and license plate taxes. The State distributes approximately 39% of these taxes to the county road commissions. Substantially all of the Road Commission’s revenues are derived from these State-levied taxes. No general fund monies are used for roads in the county. Some Federal funding is provided for Federal Aid Routes, and townships appropriate monies on a matching basis for the betterment of local roads.

The Road Commission has a December 31 year end. Separate financial statements for the Ingham County Road Commission are available at the office of the Ingham County Road Commission located at 301 Bush Street, Mason, Michigan 48854.

Ingham County Economic Development Corporation (the “Corporation”) - The Corporation, which was established pursuant to State statutes and is responsible for assisting in the expansion of business in the geographic area, is governed by an 11-member board. The County appoints a voting majority of the Corporation’s board and is able to impose its will through the authority to approve or disprove the Corporation’s project plans. The Corporation has a December 31 year end. Separate financial statements for the Ingham County Economic Development Corporation are not prepared and are not required to be presented herein since the Corporation is reported as a single proprietary fund.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Land Bank Fast Track Authority (the “Land Bank”) - The Land Bank was established on November 1, 2005 and began operations subsequent to January 1, 2006 pursuant to Public Act 258 and an intergovernmental agreement entered into between the Land Bank and the County. The Land Bank is governed by a five-member board of which the County Treasurer serves as the chairperson and the other four members are appointed by the County Board of Commissioners for overlapping four year terms. The County is financially accountable for the Land Bank inasmuch as the County specifically issues debt for the exclusive benefit of Land Bank operations. The Land Bank has a December 31 year end. Separate financial statements for the Land Bank are available at the office of the Land Bank Fast Track Authority located at 422 Adams Street, Lansing, Michigan 48906.

Ingham County Brownfield Redevelopment Authority (the “Authority”) - The Authority, which was established pursuant to State statutes and has as its primary purpose to encourage the redevelopment of under-utilized and environmentally contaminated properties in the geographic area, is governed by an 11-member board. The County appoints a voting majority of the Authority’s board and is able to impose its will through the ability to approve or disprove the Corporation’s project plans. The Corporation has a December 31 year end. Separate financial statements for the Authority are not prepared, but are included herein.

Ingham County Drain Commission (the “Drain Commission”) - All drainage districts established pursuant to the Michigan Drain Code of 1956 are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 20 drainage districts consists of the Drain Commissioner, the Chair of the County Board of Commissioners and one other member of the County Board of Commissioners. The statutory governing board of Chapter 5 and 6 drainage districts consists of the Michigan Director of Agriculture and the drain commissioner of each county involved in the project. The County Drain Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or drain commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of the drainage district. The nature and significance of the relationship between the primary government and the Drain Commission is such that exclusion would cause the primary government’s financial statements to be misleading or incomplete. The Drain Commission has a December 31 year end. Separate financial statements for the Ingham County Drain Commission are not prepared, but are included herein.

Joint Ventures

In 1998, the County entered into an agreement with the City of Lansing to form the City of Lansing and County of Ingham Joint Building Authority (JBA) for the purpose of constructing and managing a building in downtown Lansing that houses the courts, prosecuting attorney and other related departments. The JBA is governed by a three-member board composed of one member each appointed by the City and County and one appointed jointly by the two units. Both the County and City contribute cash and/or property to the JBA. Bonds were issued in 1999 by the JBA to provide the funding necessary to construct the building. Because the joint venture agreement does not provide an explicit contractual formula outlining the County’s claim to the JBA’s assets, it is deemed to be a “joint venture with no equity interest” and, accordingly, no amounts are reported in the accompanying financial statements for an equity interest. Financial information for the JBA may be obtained by writing the Ingham County Financial Services Division, P.O. Box 319, Mason, Michigan 48854.

Jointly Governed Organizations

The County, in conjunction with other local governmental and corporate entities, is responsible for appointing the members of the boards of several other organizations. The County has no significant influence over the management of these organizations. Financial accountability is limited to the extent of any appropriated operating grant. Therefore, these organizations are not included in the County’s financial report.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Tri-County Community Mental Health Board. The Tri-County Community Mental Health Board provides comprehensive mental health services to the residents of Ingham, Eaton, and Clinton counties. Operating revenues are derived from federal, state and local governments as well as from fees for services. The organization is governed by a 12-member board appointed by the Board of Commissioners of the three counties it serves. Ingham County's 2007 contribution to the Tri-County Community Mental Health Board was \$1,978,566.

Tri-County Regional Planning Commission. The Tri-County Regional Planning Commission services Ingham, Eaton, and Clinton counties. The Commission's membership includes those counties, the City of Lansing, the City of East Lansing, Delta Township, Meridian Township and the Michigan Department of Transportation. Also included by right, are the county road commissions and transit authorities, making a total of 19 voting members. The Commission must adopt a proposed budget at its February meeting and submit the same to the Board of Commissioners of the three counties it serves and to the Lansing City Council with its request for allocation of funds. Each of these units contribute one-quarter of the total annual budget. Ingham County's 2007 contribution was \$97,715.

Ingham Regional Medical Center. Ingham Regional Medical Center (IRMC) includes the operations of the former Ingham Medical Center (IMC) which was a County-owned hospital. On December 30, 1992, Ingham County sold its ownership interest in IMC to Lansing General Hospital, a Michigan private non-profit corporation. Lansing General combined its operations with IMC to form a new private non-profit corporation now known as Ingham Regional Medical Center. In addition to the economic consideration of the sale, the County received majority representation on the board of the new hospital entity for ten years with continued representation thereafter. This relationship provides no financial benefit or burden to the County.

Capital Region Airport Authority. The Capital Region Airport Authority operates the Capital City Airport and Mason Jewett Field and may acquire control over any additional airports not already in existence within the participating region. The Airport Authority is administered by a five-member board. The majority of the Board is appointed by the City of Lansing. In addition to a tax levy of up to three-quarters of a mill, the Authority receives operating funds from revenue produced by airport operations and from federal grants. The tax is collected by the County for the Airport Authority. The County provides no funding to the Airport Authority. Additionally, the County does not hold title to any of the Airport Authority's assets, nor does it have any right to the Airport Authority's surplus.

Capital Area District Library. In 1997, Ingham County and the City of Lansing established the Capital Area District Library (CADL). Effective January 1, 1998, the CADL assumed operating responsibility for the 11 County library branches and one library maintained by the Lansing School District. The CADL provides library services for most of Ingham County. Excluded from the District's service areas are the City of East Lansing and other locations where the district libraries were already established. The CADL is administered by a seven-member board. The City of Lansing appoints two board members and the County appoints the remaining five board members. Four of the seven board members must be residents of the City of Lansing or Lansing Township. Although the County appoints a voting majority of the CADL Board, it does not have the authority to remove or censure any appointees. Furthermore, other than the initial financial support agreed to by the County, the CADL does not provide a financial benefit or impose a financial burden on the County. Accordingly, management has concluded that the County is not financially accountable for the CADL and determined that it is not a component unit of the County under guidelines established by GASB Statement No. 14.

Funds With Other Year Ends

The Housing Commission enterprise fund and the Health Department, Family Court Child Care, Social Welfare and DHS Child Care special revenue funds are reported on a September 30 fiscal year end; the Fair Board enterprise fund is reported on an October 31 fiscal year end.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *health department fund* accounts for the delivery of a vast array of health services to county residents. This fund is accounted for on a September 30 fiscal year end, which coincides with the Health Department's primary funding source.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

The *emergency telephone fund* accounts for the operations of the emergency telephone and dispatch system.

The *revenue sharing reserve fund* accounts for accelerated property tax collections held for the replacement of future state shared revenues.

The government reports the following major proprietary funds:

The *medical care facility fund* accounts for the long-term care of elderly residents in a medical care unit owned and operated by the County.

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

The *refunding sanitary sewer project No. 3 and No. 4 fund* accounts for the financing of system improvements for Delhi Township.

Additionally, the government reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes not including major capital projects.

The *debt service funds* account for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds not being financed by proprietary funds.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The *enterprise funds* account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* account for operations that provide services (such as building operations, data processing, employee benefits, and other services) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

The *agency funds* account for assets held for other governments in an agency capacity, specifically for library penal fines and payroll withholdings.

For business-type activities and enterprise funds, private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted revenues are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

Cash and cash equivalents include amounts in demand deposits as well as amounts in the County Treasurer's cash management pools. The County Treasurer maintains a cash management pool for the Road Commission as well as an entity-wide cash management pool. These cash pools have the general characteristics of demand deposits in that deposits and withdrawals may be made at any time without prior notice or penalty. Each fund or opinion unit's portion of this pool is included in the "pooled cash and investments" caption in the accompanying financial statements.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial paper, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

Investments are stated at fair value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either *interfund receivables/payables* (i.e., the current portion of interfund loans) or *advances to/from other funds* (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as *internal balances*. Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. Medical Care Facility enterprise fund receivables are reported at the estimated net realizable amounts due from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

3. Inventories, Prepaid Items and Deferred Assets

Inventories are valued at cost, which approximates market, using the first-in/first-out method. The costs of governmental fund-type inventories are primarily recorded as expenditures when purchased rather than when consumed.

Payments made to vendors for services that will benefit future periods, are recorded as prepaid items.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

In-kind services are due to the County from the sale of the Ingham Medical Center. The services will be provided over several years. The value of these in-kind services has been recorded as deferred assets since the County accepted these services in lieu of a cash settlement. Accordingly, deferred revenue has been recorded in an amount equal to the deferred assets.

4. Restricted Assets

Certain revenues and resources in the proprietary fund types are classified as restricted assets on the statement of net assets because their use is limited. The restricted assets in the Housing Commission enterprise fund include a *subsidy receivable from Federal Government for debt service* account which is used to report the agreement between the Ingham County Housing Commission and the U.S. Department of Housing and Urban Development (HUD). The Medical Care Facility enterprise fund restricted assets are monies that are required to be used for capital acquisitions. In addition, the Housing Commission and Fair Board enterprise funds hold customer deposits. Restricted assets that are not available for current operations are not considered cash equivalents.

5. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (e.g., roads, bridges, drains and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Road Commission and Drain Commission component units. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years; for the Road Commission, a \$1,000 threshold is used. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Infrastructure has been recorded retrospectively beginning in 1980.

Capital assets of the primary government are depreciated using the straight line method over the useful life of the assets as follows:

Buildings and improvements	40 years
Equipment	3-20 years
Vehicles	3-5 years
Drain infrastructure	30 years

For the Road Commission component unit, capital assets are depreciated primarily by the straight-line method as follows:

Buildings and improvements	40 years
Equipment	5-10 years
Infrastructure	8-50 years

6. Compensated Absences

The County's policies and/or labor agreements permit regular full-time employees to be eligible for paid leave in varying amounts based on length of service, which may be used for vacation, sickness, personal days, or for other reasons subject to certain policies. Unused paid leave time is paid upon employee termination, but does not accumulate beyond maximums determined by length of service. This leave time is accrued when incurred in the government-wide and proprietary fund financial statements. Accrued vacation, sick leave and other compensated absences are recorded as a governmental fund liability only if these amounts have matured as the result of employee resignations or retirements.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

7. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

9. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end.

The General Fund budget and the budgets for the following special revenue funds are adopted on an activity and cost category basis:

- Friend of the Court Service
- Health Department
- Work Study Program
- Anti-Drug Abuse Grant
- Community Corrections
- Family Court Child Care
- Cooperative Reimbursement Prosecuting Attorney

For purposes of the above, the cost categories include: personnel services, controllable costs, noncontrollable costs, capital outlay, and debt service principal and interest.

Budgets for all other special revenue funds are adopted on an activity basis.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Each year prior to October 1, County departments, in conjunction with the Controller's staff, prepare and submit their proposed operating and capital budgets for the calendar year commencing the following January 1. Both the operating and capital budgets include proposed expenditures and the resources to finance them. The budget includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

No later than December 31 of each year, the proposed budget is presented to the County Board of Commissioners. The Board holds public hearings and may add to, subtract from or change appropriations. The budget is then legally enacted through passage of a Board resolution. Any changes in the budget must be within the revenues and reserves estimated as available by the County Controller or the revenue estimates must be changed by an affirmative vote of a majority of the Board of Commissioners.

For internal purposes, budgetary control over expenditures is maintained at the line-item level for most governmental funds. However, the Board of Commissioners has authorized the Controller to make budgetary transfers between all budgeted funds, activities and line-items where determined necessary by the Controller to ensure budgetary compliance at the activity and/or cost category basis. Supplemental budgetary appropriations were made during the year, but were not in amounts considered material for specific disclosure herein.

B. Deficit Fund Equity

At year-end, deficit net assets of \$31,134 and \$462,385 were reported in the Insurance and Workers' Compensation internal service funds, respectively. Management plans to eliminate these deficits through increased rate charges to other County funds.

Also at year-end, the Regular Drain and GIS Study capital projects funds (i.e., funds of the Drain Commission, a discretely presented component unit) had deficits of \$1,794,909 and \$215,607, respectively. The Regular Drain fund deficit will be eliminated through future special assessments whereas the GIS Study fund deficit is intended to be eliminated through contributions from other governmental units.

C. Excess of Expenditures over Appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets for the County were adopted on an activity and cost category level basis for the General Fund and certain special revenue funds; budgets for all other special revenue funds were adopted on an activity level basis.

An excess of expenditures over appropriations in individual funds were as follows for the year ended December 31, 2007:

	Final Budget	Actual	Excess
Nonmajor special revenue funds			
Local Correction Training - public safety	\$ 3,000	\$ 16,018	\$ 13,018
Anti-Drug Abuse Grant - public safety - controllable costs	274,374	280,057	5,683
Criminal Justice Training Grant - public safety	24,949	77,339	52,390

These over-expenditures were funded by available fund balance.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The County Treasurer maintains a cash management pool that is available for use by all funds and component units. Each fund and/or opinion unit's portion of the pool is included in the *pooled cash and investments* caption in the accompanying financial statements. Interest earned from investments purchased with pooled cash is allocated to all debt service funds and certain special revenue, proprietary and fiduciary funds based on average cash balances. The remaining interest earned is allocated to the General Fund.

In addition to the cash management pool, a substantial number of depository accounts are maintained by various county departments for the deposit of fees, fines and other revenues. These monies are transferred to the County Treasurer on a regular basis. Depository accounts are also used, in some instances, where the County acts as a collection agent (e.g., court-ordered child support). Year-end book balances in these depository accounts are included in *pooled cash and investments* for financial reporting purposes.

Following is a reconciliation of deposits and investments as of December 31, 2007:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Pooled cash and investments			
Statement of net assets	\$ 86,250,510	\$ 12,629,212	\$ 98,879,722
Statement of net assets (restricted)	8,003,419	-	8,003,419
Statement of fiduciary net assets	4,295,778	-	4,295,778
Total	<u>\$ 98,549,707</u>	<u>\$ 12,629,212</u>	<u>\$ 111,178,919</u>
Deposits and investments			
Bank deposits (checking, savings and certificates of deposit)			\$ 44,978,037
Investments			59,987,660
Cash on hand			101,400
Net effect of funds with different fiscal year ends			6,111,822
Total			<u>\$ 111,178,919</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. State law does not require and the County does not have a policy for deposit custodial credit risk.

At year-end, \$40,986,134 of the combined bank balance of \$43,186,134 (total book balance of \$44,978,037) was exposed to custodial credit risk as it was uninsured and uncollateralized. The County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable level are used as depositories.

Custodial Credit Risk – Investments. Following is a summary of the County's investments as of December 31, 2007:

U.S. agencies	\$ 26,234,560
Commercial paper	30,538,846
Money market	3,214,254
	<u>\$ 59,987,660</u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. The County's investments in U.S. agencies are held by the investment's counterparty, not in the name of the County.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations. Ratings are not required for U.S. treasuries or money market accounts.

As of December 31, 2007, all of the County's investments in securities of U.S. agencies were rated AAA by Standard & Poor's (S&P). Of the County's holdings in commercial paper, Moody's rated \$24,878,000 as P-2 and \$5,660,846 as P-1.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on concentration of credit risk. At December 31, 2007, the County had greater than 5% of its total investments concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
U.S. agencies	Federal Home Loan Bank	22.3%
	Federal National Mortgage Association	12.7%
	Federal Farm Credit Bank	5.0%
Commercial paper	General Mills	6.9%
	GATX Corporation	6.3%
	ConAgra	5.8%

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of certain investments. State law limits the allowable investments and the maturities of some investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At year-end, maturities of the County's debt securities were as follows:

	Total Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. agencies	\$ 26,234,560	\$ 1,401,189	\$ 3,517,003	\$ 12,275,519	\$ 9,040,849
Commercial paper	30,538,846	30,538,846	-	-	-
	<u>\$ 56,773,406</u>	<u>\$ 31,940,035</u>	<u>\$ 3,517,003</u>	<u>\$ 12,275,519</u>	<u>\$ 9,040,849</u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

B. Receivables and Unearned/Deferred Revenue

Receivables in the governmental activities are comprised of the following:

Property taxes	\$ 22,362,067
Accounts	6,020,675
Intergovernmental	5,280,986
Rehabilitation loans	1,607,858
Advances to component units	508,250
Interest and other	<u>494,568</u>
Total	<u>\$ 36,274,404</u>

Receivables in the business-type activities are comprised of the following:

Delinquent property taxes	\$ 10,616,866
Accounts	2,337,259
Allowance for doubtful accounts	(295,000)
Intergovernmental and interest	65,352
Leases	<u>6,675,000</u>
Total	<u>\$ 19,399,477</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the components of deferred revenue and unearned revenue reported in governmental activities were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable:		
General fund	\$ 4,407,309	\$ -
Emergency telephone fund	93,476	6,225,376
Nonmajor governmental funds:		
Zoo	14,253	3,397,385
Juvenile justice millage	68,100	4,430,347
County transportation system	47,997	3,520,649
Long-term receivables included in deferred assets	801,263	-
Revenues received in advance of being earned	<u>-</u>	<u>2,906,822</u>
	<u>\$ 5,432,398</u>	<u>\$ 20,480,579</u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

C. Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 4,059,611	\$ -	\$ -	\$ 4,059,611
Construction in progress	150,378	101,071	150,378	101,071
Total capital assets, not being depreciated	<u>4,209,989</u>	<u>101,071</u>	<u>150,378</u>	<u>4,160,682</u>
Capital assets, being depreciated:				
Buildings and improvements	74,555,458	432,737	-	74,988,195
Equipment and furniture	17,631,370	1,505,039	1,610,639	17,525,770
Total capital assets being depreciated	<u>92,186,828</u>	<u>1,937,776</u>	<u>1,610,639</u>	<u>92,513,965</u>
Less accumulated depreciation for:				
Buildings and improvements	(34,033,764)	(2,425,695)	-	(36,459,459)
Equipment and furniture	<u>(13,236,504)</u>	<u>(1,248,859)</u>	<u>(1,079,108)</u>	<u>(13,406,255)</u>
Total accumulated depreciation	<u>(47,270,268)</u>	<u>(3,674,554)</u>	<u>(1,079,108)</u>	<u>(49,865,714)</u>
Total capital assets, being depreciated, net	<u>44,916,560</u>	<u>(1,736,778)</u>	<u>531,531</u>	<u>42,648,251</u>
Governmental activities capital assets, net	<u>\$ 49,126,549</u>	<u>\$ (1,635,707)</u>	<u>\$ 681,909</u>	<u>\$ 46,808,933</u>

The beginning balance of equipment and furniture and the related accumulated depreciation were increased by \$412,337 and \$357,727, respectively, for the transfer of Potter Park Zoo capital assets from the City of Lansing to the County.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 464,990	\$ -	\$ -	\$ 464,990
Capital assets, being depreciated:				
Buildings and improvements	20,434,373	84,622	29,272	20,489,723
Machinery and equipment	1,233,094	66,091	56,799	1,242,386
Total capital assets, being depreciated	<u>21,667,467</u>	<u>150,713</u>	<u>86,071</u>	<u>21,732,109</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,352,012)	(665,524)	(29,272)	(10,988,264)
Machinery and equipment	(871,858)	(59,495)	(56,799)	(874,554)
Total accumulated depreciation	<u>(11,223,870)</u>	<u>(725,019)</u>	<u>(86,071)</u>	<u>(11,862,818)</u>
Total capital assets, being depreciated, net	<u>10,443,597</u>	<u>(574,306)</u>	<u>-</u>	<u>9,869,291</u>
Business-type activities capital assets, net	<u>\$ 10,908,587</u>	<u>\$ (574,306)</u>	<u>\$ -</u>	<u>\$ 10,334,281</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities

General government	\$ 849,292
Public safety	1,071,435
Judicial	58,810
Health	869,331
Culture and recreation	294,789
Capital assets held by internal service funds are charged to the various functions based on their usage of the assets	<u>530,897</u>

Total depreciation expense - governmental activities \$ 3,674,554

Business-type activities

Medical care facility	\$ 531,194
Delinquent tax collection	1,671
Housing	126,385
Inmate stores	4,120
County fair	<u>61,649</u>

Total depreciation expense - business-type activities \$ 725,019

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Drain Commission Component Unit

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated - Construction in progress	\$ 18,284,226	\$ 4,232,115	\$ 8,341,680	\$ 14,174,661
Capital assets, being depreciated:				
Equipment	1,267,445	-	-	1,267,445
Infrastructure	30,799,826	8,381,810	-	39,181,636
Total capital assets being depreciated	32,067,271	8,381,810	-	40,449,081
Less accumulated depreciation for:				
Equipment	(1,109,114)	(33,186)	-	(1,142,300)
Infrastructure	(10,814,672)	(1,026,661)	-	(11,841,333)
Total accumulated depreciation	(11,923,786)	(1,059,847)	-	(12,983,633)
Total capital assets being depreciated, net	20,143,485	7,321,963	-	27,465,448
Drain Commission capital assets, net	<u>\$ 38,427,711</u>	<u>\$ 11,554,078</u>	<u>\$ 8,341,680</u>	<u>\$ 41,640,109</u>

Road Commission Component Unit

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,974,127	\$ -	\$ 4,000	\$ 1,970,127
Land improvements	17,367,484	1,279,068	-	18,646,552
	19,341,611	1,279,068	4,000	20,616,679
Capital assets, being depreciated:				
Buildings and improvements	6,164,367	194,432	-	6,358,799
Equipment	10,655,260	264,939	1,200	10,918,999
Infrastructure - roads	109,397,233	5,787,692	-	115,184,925
Infrastructure - bridges	11,401,419	3,108,805	-	14,510,224
Infrastructure - subdivisions	6,821,338	620,928	-	7,442,266
Total capital assets being depreciated	144,439,617	9,976,796	1,200	154,415,213
Less accumulated depreciation for:				
Buildings and improvements	(2,880,621)	(156,851)	-	(3,037,472)
Equipment	(9,201,585)	(499,611)	(1,200)	(9,699,996)
Infrastructure - roads	(61,992,118)	(4,182,506)	-	(66,174,624)
Infrastructure - bridges	(2,051,170)	(228,028)	-	(2,279,198)
Infrastructure - subdivisions	(407,151)	(341,067)	-	(748,218)
Total accumulated depreciation	(76,532,645)	(5,408,063)	(1,200)	(81,939,508)
Total capital assets being depreciated, net	67,906,972	4,568,733	-	72,475,705
Road Commission capital assets, net	<u>\$ 87,248,583</u>	<u>\$ 5,847,801</u>	<u>\$ 4,000</u>	<u>\$ 93,092,384</u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

D. Payables

Accounts payable and accrued liabilities in the governmental activities include the following:

Accounts	\$ 9,629,552
Wages, fringe benefits and other accrued liabilities	2,153,823
Claims	1,575,800
Intergovernmental and deposits	<u>331,450</u>
	<u>\$ 13,690,625</u>

Accounts payable and accrued liabilities in the business-type activities include the following:

Accounts	\$ 1,288,322
Claims	40,438
Customer deposits	47,580
Patient trust liability	<u>17,130</u>
	<u>\$ 1,393,470</u>

E. Interfund Receivables, Payables and Transfers

Following is a summary of interfund balances as of December 31, 2007:

	<u>Receivable</u>	<u>Payable</u>
Due to/from other funds		
General	\$ 6,924,008	\$ 29,890,898
Health	299,159	985,328
Revenue Sharing Reserve	28,605,529	5,636,645
Medical Care Facility	-	198,003
Nonmajor governmental funds	2,569,750	982,539
Nonmajor enterprise funds	68,825	56,072
Internal service funds	632,354	129,418
Net effect of funds with different fiscal year ends	<u>-</u>	<u>1,220,722</u>
	<u>\$ 39,099,625</u>	<u>\$ 39,099,625</u>
Advances to/from other funds		
General	\$ 1,156,774	\$ -
Health	-	100,000
Medical Care Facility	-	636,030
Nonmajor governmental funds	-	33,496
Nonmajor enterprise funds	-	55,735
Internal service funds	<u>-</u>	<u>331,513</u>
	<u>\$ 1,156,774</u>	<u>\$ 1,156,774</u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

	<u>Receivable</u>	<u>Payable</u>
Interfund receivable/payable		
General	\$ 1,843,484	\$ -
Nonmajor governmental funds	-	1,843,484
	<u>\$ 1,843,484</u>	<u>\$ 1,843,484</u>

Due to/from balances result primarily from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and/or payments between funds are made. Outstanding advances between funds relate to working capital loans made to various funds. Interfund receivables/payables represent short-term working capital loans for funds with negative balances in the County's cash and investment pool at year-end.

	<u>Transfers In</u>	<u>Transfers Out</u>
Interfund transfers		
General	\$ 8,165,178	\$ 23,477,312
Health	9,890,606	20,571
Revenue Sharing Reserve	-	5,636,645
Medical Care Facility	-	-
Delinquent Tax Revolving	-	2,085,000
Refunding Sanitary Sewer	13,298	-
Nonmajor governmental funds	17,525,056	4,006,594
Nonmajor enterprise funds	197,655	14,866
Internal service funds	489,846	916,530
Net effect of funds with different fiscal year ends	-	124,121
	<u>\$ 36,281,639</u>	<u>\$ 36,281,639</u>

Transfers are used to: (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

F. Leases

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of networking equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The assets acquired through capital leases and included in governmental activities are as follows:

Machinery and equipment	\$ 1,361,447
Less accumulated depreciation	<u>1,037,268</u>
	<u>\$ 324,179</u>

The future minimum lease obligation for the year ending December 31, 2008 (one year remaining) is \$100,107 of which \$3,608 represents interest and \$96,499 is the net present value of the minimum lease obligation.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Operating Leases (Lessee). The government leases certain buildings and office space under noncancellable operating leases. Total costs for such leases were \$962,510 for the year ended December 31, 2007. Future minimum lease payments for these leases are as follows:

Year Ending December 31,	Governmental Activities		
	Joint Building Authority Lease	Other Leases	Total
2008	\$ 500,037	\$ 206,592	\$ 706,629
2009	498,754	160,258	659,012
2010	499,030	87,381	586,411
2011	498,776	-	498,776
2012	498,684	-	498,684
2013-2017	2,496,743	-	2,496,743
2018-2020	1,001,377	-	1,001,377
	<u>\$ 5,993,401</u>	<u>\$ 454,231</u>	<u>\$ 6,447,632</u>

Operating Leases (Lessor). The County leases certain buildings and office space to other agencies under cancelable lease agreements. The lease payments are charged to other governmental entities at the pro-rata portion of the related debt service payments plus maintenance costs. The assets leased to other governmental entities under such arrangements were included in governmental activities at December 31, 2007, and were as follows:

Building and improvements	\$ 20,790,387
Less accumulated depreciation	<u>9,889,918</u>
	<u>\$ 10,900,469</u>

G. Long-Term Debt

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental, business-type and component unit activities. No general obligation bonds were issued during the current year for governmental or business-type activities; \$1,985,000 of bonds were issued for brownfield redevelopment.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.5 - 5.0%	\$ 22,520,000
Business-type activities	4.0 - 6.0%	6,675,000
Brownfield redevelopment	4.0%	<u>1,985,000</u>
		<u>\$ 31,180,000</u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Governmental Activities		Business-type Activities		Brownfield Redevelopment	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 2,045,000	\$ 985,971	\$ 825,000	\$ 323,728	\$ -	\$ 54,092
2009	1,945,000	908,603	865,000	288,185	-	81,138
2010	2,025,000	830,563	915,000	244,537	75,000	81,138
2011	1,855,000	747,895	955,000	198,358	80,000	78,137
2012	1,535,000	674,358	1,015,000	149,822	80,000	74,938
2013-2017	8,390,000	2,303,621	1,055,000	395,024	470,000	322,688
2018-2022	4,725,000	544,350	1,045,000	125,087	575,000	220,537
2023-2027	-	-	-	-	705,000	91,938
Total	<u>\$22,520,000</u>	<u>\$ 6,995,361</u>	<u>\$ 6,675,000</u>	<u>\$ 1,724,741</u>	<u>\$ 1,985,000</u>	<u>\$ 1,004,604</u>

Installment obligations. The government has entered into a long-term installment payment agreement for the upgrade of building energy efficiency systems. The original amount of installment obligations issued during 2004 was \$1,594,754 for the primary government. Installment obligations outstanding at year-end amounted to \$1,171,420 with interest at 3.43 percent. Annual debt service requirements to maturity for installment obligations are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2008	\$ 150,900	\$ 40,178
2009	156,076	35,002
2010	161,429	29,649
2011	166,966	24,112
2012	172,692	18,386
2013-2014	<u>363,357</u>	<u>18,799</u>
Total	<u>\$ 1,171,420</u>	<u>\$ 166,126</u>

Drain assessments. The government has been assessed for its “at large” share of certain drainage district project costs, payable over a multi-year period with interest at 2.25 to 4.6 percent. The original amount of the outstanding drain assessments was \$275,590. Annual debt service requirements to maturity for drain assessments are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2008	\$ 13,583	\$ 2,517
2009	13,814	2,308
2010	14,047	2,098
2011	14,277	1,888
2012	14,510	1,678
2013-2017	75,813	5,244
2018-2019	<u>20,429</u>	<u>630</u>
Total	<u>\$ 166,473</u>	<u>\$ 16,363</u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

HUD permanent note. The government has entered into an annual contribution contract with the U.S. Department of Housing and Urban Development (HUD) under provisions of the U.S. Housing Act of 1937. In accordance with this contract, the County receives an annual contribution from the federal government for debt service. A debt service requirement is not available for the HUD permanent note. The note is guaranteed by the federal government.

Delinquent tax notes. The government issues general obligation limited tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County. These notes are reported in the Delinquent Tax Revolving enterprise fund as they are expected to be repaid from fund revenues. Each series of delinquent tax notes are subject to variable interest rates which are determined on a weekly basis by the County's remarketing agent using established criteria and legal limitations. Principal and interest payments are predicated upon actual collections of delinquent property taxes, which are subject to collection over a period not to exceed two years. Delinquent tax notes totaling \$8,200,000 from the 2007 series were outstanding at December 31, 2007.

Drain bonds and notes. The Drain Commissioner is authorized under State statutes to issue special assessment bonds and drain notes for the construction or maintenance of drainage districts. Such bonds and notes are repaid from special assessments levied upon the benefiting property owners. At December 31, 2007, drain bonds and notes totaling \$24,286,220 were outstanding; no new bonds and notes were issued during the current year. Drain bonds and notes carry interest at rates ranging from 2.5 to 5.7 percent. Annual debt service requirements to maturity for drain bonds and notes are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Drain Commission</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,725,745	\$ 1,029,227
2009	1,733,747	961,762
2010	1,609,264	892,517
2011	1,575,264	784,113
2012	1,569,400	719,615
2013-2017	7,482,800	2,616,614
2018-2022	5,630,000	1,212,771
2023-2027	2,960,000	226,901
Total	\$ 24,286,220	\$ 8,443,520

In addition, short-term drain notes payable totaling \$4,626,025 were outstanding at year end. The balance of short-term drain notes at January 1, 2007 was \$2,613,710, all of which was either repaid or refinanced during 2007. These notes were issued at interest rates ranging between 3.94% and 4.24% and are due at various dates through 2008.

Road Commission purchase agreement. The Road Commission has a purchase agreement with a vendor for the acquisition of two wheel loaders. The original cost of the equipment was \$197,700. The agreement provides for quarterly payments of \$12,289 including interest at 4.25%. The last payment is due May 10, 2008. The outstanding balance at December 31, 2007 is \$24,190 which is entirely due within one year.

Land Bank loan and line of credit. The Land Bank has two lines of credit from local banks with a total authorized balance of \$1.8 million of which \$1,574,146 was outstanding as of December 31, 2007. The credit lines are due on July 1, 2010 and require interest-only monthly payments at prime.

Advance refunding. In prior years, the government defeased certain bonds by placing the proceeds of new bond issues in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At year-end, outstanding primary government general obligation bonds totaling \$10,190,000 are considered defeased.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Changes in long-term debt. Long-term debt activity for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Primary Government</u>					
Governmental activities					
General obligation bonds	\$ 24,475,000	\$ -	\$ (1,955,000)	\$ 22,520,000	\$ 2,045,000
Installment obligations	1,317,316	-	(145,896)	1,171,420	150,900
Capital leases	220,936	-	(124,437)	96,499	96,499
Drain assessments	180,056	-	(13,583)	166,473	13,583
Deferred amounts for:					
Issuance premiums	450,217	-	(37,518)	412,699	
Refunding loss	(275,477)	-	22,956	(252,521)	
Compensated absences	3,767,454	2,809,471	(3,012,466)	3,564,459	1,686,302
	<u>\$ 30,135,502</u>	<u>\$ 2,809,471</u>	<u>\$ (5,265,944)</u>	<u>\$ 27,679,029</u>	<u>\$ 3,992,284</u>
Business-type activities					
General obligation bonds	\$ 7,465,000	\$ -	\$ (790,000)	\$ 6,675,000	\$ 825,000
Delinquent tax notes	6,700,000	16,000,000	(14,500,000)	8,200,000	8,200,000
HUD permanent note	20,000	-	-	20,000	-
Compensated absences	344,842	514,038	(512,698)	346,182	256,279
	<u>\$ 14,529,842</u>	<u>\$ 16,514,038</u>	<u>\$ (15,802,698)</u>	<u>\$ 15,241,182</u>	<u>\$ 9,281,279</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Component Units</u>					
Road Commission					
Purchase agreements	\$ 71,056	\$ -	\$ (46,866)	\$ 24,190	\$ 24,190
Compensated absences	611,304	529,406	(510,241)	630,469	278,620
	<u>\$ 682,360</u>	<u>\$ 529,406</u>	<u>\$ (557,107)</u>	<u>\$ 654,659</u>	<u>\$ 302,810</u>
Land Bank					
Line of credit	\$ 747,885	\$ 826,261	\$ -	\$ 1,574,146	\$ -
Brownfield Redevelopment					
General obligation bonds	\$ -	\$ 1,985,000	\$ -	\$ 1,985,000	\$ -
Deferred amounts for:					
Issuance discounts	-	(19,536)	-	(19,536)	-
	<u>\$ -</u>	<u>\$ 1,965,464</u>	<u>\$ -</u>	<u>\$ 1,965,464</u>	<u>\$ -</u>
Drain Commission					
Drain bonds and notes	\$ 25,917,966	\$ -	\$ (1,631,746)	\$ 24,286,220	\$ 1,725,745
Deferred amounts for:					
issuance premiums	27,699	-	(1,385)	26,314	-
Compensated absences	58,240	46,058	(61,868)	42,430	15,800
	<u>\$ 26,003,905</u>	<u>\$ 46,058</u>	<u>\$ (1,694,999)</u>	<u>\$ 24,354,964</u>	<u>\$ 1,741,545</u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

IV. OTHER INFORMATION

A. Risk Management / Self-Insurance Programs

The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools, commercial insurance and excess coverage policies. For risks that are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of these self-insurance programs and risk management pool participation.

Liability. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. MMRMA provides risk management, underwriting, reinsurance, and claim review and processing services for all member governments pursuant to its charter. Under most circumstances, the County's maximum loss retention per occurrence was as follows:

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General and automobile liability	\$150,000
Property damage	\$11,000
Motor vehicle physical damage	\$16,000 per vehicle \$31,000 per occurrence

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the Insurance internal service fund using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insured retention limits along with certain other member-specific costs. Accordingly, the government records an asset for its portion of the unexpended member retention fund (i.e., "cash on deposit with agent"), which amounted to \$689,727 as of December 31, 2007.

Changes in the balances of claims liabilities during the past two years, including provision for incurred but not reported (IBNR) claims, are as follows:

	<u>2007</u>	<u>2006</u>
Unpaid claims, beginning of year	\$ 642,659	\$ 1,672,657
Incurred claims (including change in IBNR provision)	24,740	(887,606)
Claim payments	<u>(243,442)</u>	<u>(142,392)</u>
Unpaid claims, end of year	<u>\$ 423,957</u>	<u>\$ 642,659</u>

Employee Benefits. The County pays insurance premiums for most of its employee health insurance and offers a high deductible, low premium health insurance plan that is self-insured. The County is also self-insured for dental and vision coverage. These plans are accounted for in the Employee Benefits internal service fund. These programs are administered by third-party administrators who provide claims review and processing services as well as illustrated premium rates, which are anticipated, over time, to approximate the actual cost of benefits.

Premiums for both commercial and self-insured programs are paid into the Employee Benefits fund by all other funds based on actual or illustrated rates. These premiums are used to purchase insurance coverage from commercial carriers or, for the self-insured programs, are available to pay claims and administrative costs.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Because management anticipates the illustrated self-insured premium rates to approximate actual costs over time and it believes that any liabilities for incurred but not reported (IBNR) claims at year end would be immaterial, no IBNR liability has been recorded.

Workers' Compensation. The government maintains a self-insurance program for workers' compensation coverage which is accounted for in the Workers' Compensation Fund internal service fund and the Medical Care Facility (MCF) enterprise fund (for MCF employees). The program is administered by a third-party administrator who conducts safety inspections and provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage and administrative costs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$300,000 subject to an annual aggregate limit of \$5 million. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2007</u>	<u>2006</u>
Workers' Compensation Fund:		
Unpaid claims, beginning of year	\$ 818,882	\$ 451,964
Incurred claims (including IBNR)	909,723	705,189
Claim payments	<u>(576,762)</u>	<u>(338,271)</u>
Unpaid claims, end of year	<u>\$ 1,151,843</u>	<u>\$ 818,882</u>
Medical Care Facility Fund:		
Unpaid claims, beginning of year	\$ 75,000	\$ 59,940
Incurred claims (including IBNR)	(10,883)	216,966
Claim payments	<u>(23,679)</u>	<u>(201,906)</u>
Unpaid claims, end of year	<u>\$ 40,438</u>	<u>\$ 75,000</u>

B. Contingent Liabilities

Amounts received or receivable from grantor agencies and health care intermediaries, including Medicare and Medicaid, are subject to audit and adjustment by those grantor agencies or intermediaries. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors or intermediaries cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component units, individually or jointly, are defendants in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

C. Property Taxes

Prior to 2005, the County's general property taxes were levied annually on December 1 (the lien date) to fund operations of the following year. The property taxes were due in full by March 1, at which time uncollected taxes became delinquent.

In 2004, the State of Michigan passed Public Act 357 of 2004. This Act provides a funding mechanism as a temporary substitute for state revenue sharing payments to counties. As a result, the County's levy date began a phased shifting (or acceleration) over a three-year period from December 1 to July 1 of each year. In 2005, one-third of the levy took place on July 1 and two-thirds on December 1. In 2006, two-thirds of the levy took place on July 1 and one-third on December 1. In 2007 and each year thereafter, the entire tax levy for general operating takes place on July 1. The Act also required that an amount equal to one-third of the December 2004 tax levy be placed each year for three years into the newly created Revenue Sharing Reserve special revenue fund. An annual transfer, in an amount determined by the State, is made from the Revenue Sharing Reserve Fund into the General Fund equal to the amount of revenue sharing the County would have received from the State, adjusted for inflation. For the year ended December 31, 2007, the County recognized the July 1, 2007 tax levy.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold.

The assessed and taxable value of real and personal property for the December 1, 2007 levy, for which revenue was recognized in fiscal 2007, was \$7.8 billion. The general operating tax rate for this levy was at the maximum rate of 6.3512 mills, as adjusted by the Headlee Amendment to the Michigan Constitution. The County also had a voter approved tax of 0.4768 mills for operations of the County Transportation System, 0.8431 mills for the Emergency Telephone Service, 0.5903 mills for the Juvenile Justice activity, and 0.4600 mills for Potter Park Zoo operations.

By agreement with various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable. These receivables (\$10.6 million at December 31, 2007) are pledged for repayment of the delinquent tax notes payable; subsequent collection of the receivables, along with interest and collection fees thereon and investment earnings, are used to retire the debt.

D. Postemployment Benefits Other Than Pensions

Primary Government (including component units except Road Commission)

Plan Description. The Ingham County Retiree Health Care Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the Retiree Health Care Board (the Board). The Plan was adopted and established by the Ingham County Board of Commissioners. The Plan provides postemployment healthcare and life insurance benefits to eligible retirees of the primary government in accordance with the various labor contracts and personnel policies. At December 31, 2007, 452 retired employees were eligible to participate. Inasmuch as the Plan has no assets, reporting an other employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners, subject to applicable labor contracts. Plan members are not required to contribute; however, plan members receiving healthcare benefits pay for half of the health care insurance premium over an annually established level (which was approximately \$310 per month for 2007) and for 100% of the additional premium cost for spousal and dependent coverage.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

The County may contribute the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For 2007, the County made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$1,671,682 for 2007. These costs are recognized as an expense when claims or premiums are paid.

Annual OPEB Cost and Net OPEB Obligation. For 2007, the components of the County's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan were as follows:

Annual required contribution	\$ 8,504,386	
Interest on net OPEB obligation	-	
Adjustment to annual required contribution	-	
Annual OPEB cost	8,504,386	
Contributions or payments made	(1,671,682)	
Increase in net OPEB obligation	6,832,704	
Net OPEB obligation, beginning of year	-	
Net OPEB obligation, end of year	\$ 6,832,704	
Percentage of annual OPEB cost contributed	19.7%	

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2006, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1) \$ 100,784,857	
Actuarial value of assets	(2) -	
Unfunded AAL (UAAL)	(3) \$ 100,784,857	(1) - (2)
Funded ratio	(4) 0.0%	(2) / (1)
Covered payroll	(5) \$ 56,819,304	
UAAL as % of covered payroll	(6) 177.4%	(3) / (5)

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the County are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the County and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

In the December 31, 2006, actuarial valuation, the individual entry age normal actuarial cost method was used. The actuarial assumptions include a 4.5% a year rate of investment return, compounded annually net after investment expense, which is the expected long-term investment return on plan assets, and a base payroll growth rate of 4.5%. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 11% in the short-term to 4.5% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 30 years.

Road Commission

Plan Description. The Road Commission provides certain retiree health care benefits and life insurance benefits to all applicable employees, in accordance with union agreements and/or personnel policies. In 2007, the Commission offered the retirees a choice between two plans. One plan was a PPO and the other plan was a HMO, both are health programs, which pay for claims (less deductible and co-pay) in accordance with the group from which the employee retired. The Road Commission pays for 100% of the health portion of the insurance. Currently, 56 retirees meet plan eligibility requirements.

Funding Policy. The Road Commission has no obligation to make contributions in advance of when the insurance premiums are due for payment (i.e., may be financed on a "pay-as-you-go" basis). Administrative costs of the plan are paid for by the Road Commission.

Funding Progress. For the year ended December 31, 2007, the Road Commission has determined an estimated cost of providing retiree post-employment benefits through an actuarial valuation as of December 31, 2006. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to cover the amortization of any unfunded actuarial liabilities from the past, over a period not to exceed 30 years.

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the fiscal year ended December 31, 2007, were as follows:

Annual required contribution	\$ 766,318
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>766,318</u>
Contributions or payments made	<u>(649,178)</u>
Increase in net OPEB obligation	117,140
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB obligation, end of year	<u><u>\$ 117,140</u></u>
Percentage of annual OPEB cost contributed	<u><u>84.7%</u></u>

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

The current funding progress of the plan as of December 31, 2006, the most recent valuation date, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 11,683,765	
Actuarial value of assets	(2)	<u>-</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 11,683,765</u>	(1) - (2)
Funded ratio	(4)	<u>0.0%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 3,459,664</u>	
UAAL as % of covered payroll	(6)	<u>337.7%</u>	(3) / (5)

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the Commission are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the Commission and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Commission and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2006, actuarial valuation, the individual entry age normal actuarial cost method was used. The actuarial assumptions include a 7.5% a year rate of investment return, compounded annually net after investment expense, which is the expected long-term investment returns on plan assets, and a base payroll growth rate of 4.5%. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study the assumed rate ranges from 11% in the short-term to 4.5% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 30 years.

E. Defined Benefit Pension Plans

Primary Government (including component units except Road Commission)

Plan Description. The County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the Retirement Board of MERS. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate is 5.2% to 50.67% of annual covered payroll, depending on the department or bargaining unit. County employees are required to contribute 0.0% to 19.61% of their annual covered payroll, depending on the department or bargaining unit. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Annual Pension Cost. For the year ended December 31, 2007, the County's annual pension cost of \$6,418,925 for MERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis as of December 31, 2006, the date of the latest actuarial valuation.

Three-Year Trend Information

	Year Ended December 31,		
	2006	2005	2004
Actuarial value of assets	\$ 187,358,412	\$ 173,502,595	\$ 162,405,350
Actuarial accrued liability (AAL; entry age)	243,300,405	228,698,783	215,946,290
Unfunded AAL (UAAL)	55,941,993	55,196,188	53,540,940
Funded ratio	77%	76%	75%
Covered payroll	56,819,304	53,326,694	52,999,865
UAAL as a percentage of covered payroll	98%	104%	101%
Annual pension cost (APC)	5,352,684	5,771,241	5,892,271
Percentage of APC contributed	100%	100%	100%
Net pension obligation	-	-	-

Road Commission

The Ingham County Road Commission has a separate MERS defined benefit pension plan that provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Road Commission is required to contribute at an actuarially determined rate. Employees are currently not required to contribute to the Plan. Contribution requirements are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission.

For the year ended December 31, 2007, the Road Commission's annual pension cost of \$785,661 was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The Road Commission's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 30 years, as of December 31, 2006, the date of the latest actuarial valuation.

INGHAM COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

Three-Year Trend Information

	Year Ended December 31,		
	2006	2005	2004
Actuarial value of assets	\$ 22,424,256	\$ 21,367,811	\$ 20,630,903
Actuarial accrued liability (AAL; entry age)	28,590,161	27,326,707	26,235,825
Unfunded AAL (UAAL)	6,165,905	5,958,896	5,604,922
Funded ratio	78%	78%	79%
Covered payroll	4,436,483	4,830,923	4,957,245
UAAL as a percentage of covered payroll	139%	123%	113%
Annual pension cost (APC)	785,661	748,758	751,334
Percentage of APC contributed	100%	100%	100%
Net pension obligation	-	-	-

F. Deferred Asset

In 1992, the County sold the Ingham Medical Center to an unrelated party for approximately \$24.5 million. By the terms and conditions of the sales agreement, the County received \$15.6 million in cash, \$0.8 million in land and a letter of credit for \$8.1 million. Under the letter of credit, the County can utilize the services of the former Ingham Medical Center at no cash cost through 2007, with the value of such services being charged against the letter of credit balance. Any balance remaining on the letter of credit after the 15-year period will be paid in cash to the County. In 1997, the sales agreement was amended to provide for a stated annual amount to be paid to the County, either in-kind services or cash, each year through 2011, plus interest at 7.0% on the outstanding balance.

Accordingly, the County has recorded a deferred asset and offsetting deferred revenue in the General Fund for the remaining balance, which was \$801,263 at December 31, 2007. During 2007, the County received \$1,075,121 of in-kind services under the amended sales agreement, which included \$952,367 applied towards the principal balance.

G. Restatements

The following restatements were made to beginning net assets and/or fund balances:

- Beginning net assets of the Brownfield Redevelopment Authority component unit were increased by \$1,947 and a corresponding decrease was made to governmental activities beginning net assets to properly report the balances of the component unit.
- Beginning net assets of the governmental activities were increased by \$54,610 to properly account for Potter Park Zoo capital assets.
- Beginning net assets of the governmental activities were increased by \$1,443,994 and a corresponding decrease made to the business-type activities beginning net assets for the reclassification of the County's CDBG program to a separate special revenue fund and out of the Housing Commission enterprise fund. A like increase and decrease resulted in the nonmajor governmental funds and nonmajor enterprise funds, respectively.
- Beginning net assets of the business-type activities and Medical Care Facility enterprise fund were increased by \$98,402 to correct for various prior year errors related capital assets and unrecorded adjustments.

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**COMBINING and INDIVIDUAL FUND
STATEMENTS and SCHEDULES**

MAJOR GOVERNMENTAL FUND

GENERAL FUND

Description of Fund

MAJOR GOVERNMENTAL FUND

GENERAL FUND

General Fund – This fund is used to account for all financial transactions not required to be accounted for in another fund. Revenues in this fund are derived primarily from general property taxes, fees for services, interest, State and Federal distributions, grants, and other intergovernmental revenues. General operating expenditures of the County are accounted for in this fund, including the operation of general county government; boards; commissions; the court system; and the administration of law enforcement, health, welfare, and medical assistance programs.

INGHAM COUNTY
General Fund
Comparative Balance Sheets
December 31, 2007

	<u>2007</u>	<u>2006</u>
Assets		
Cash and cash equivalents	\$ 36,475,263	\$ 28,401,002
Property taxes receivable	5,265,539	3,852,234
Accounts receivable	145,046	317,749
Accrued interest receivable	103,482	182,555
Interfund receivable	1,843,484	-
Due from other funds	6,924,008	9,610,387
Due from other governmental units	2,010,609	2,325,112
Prepaid items	111,678	182,947
Deferred asset	801,263	1,753,630
Advances to other funds	1,156,774	1,357,297
Advances to other governmental units	508,250	633,500
	<u>\$ 55,345,396</u>	<u>\$ 48,616,413</u>
Liabilities		
Accounts payable	\$ 556,653	\$ 680,749
Salaries and related withholdings	1,138,498	1,763,662
Due to other funds	29,890,898	25,358,316
Due to other governmental units	138,587	227,149
Deferred revenue	5,328,371	3,664,975
	<u>37,053,007</u>	<u>31,694,851</u>
Fund balance		
Reserved:		
Prepaid items	111,678	182,947
Advances to other funds / governments	1,665,024	2,066,047
Contingent claims	10,000	10,000
Health services	1,410,309	1,410,309
Unreserved:		
Designated for future expenditures	6,382,685	2,847,207
Undesignated	8,712,693	10,405,052
	<u>18,292,389</u>	<u>16,921,562</u>
	<u>\$ 55,345,396</u>	<u>\$ 48,616,413</u>

INGHAM COUNTY, MICHIGAN
General Fund
Schedule of Expenditures by Cost Category - Budget and Actual
For the Year Ended December 31, 2007

	Personnel Services				Controllable Expenditures			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Public safety	\$ 18,033,027	\$ 18,372,569	\$ 18,236,933	\$ 135,636	\$ 3,673,230	\$ 2,255,771	\$ 1,404,772	\$ 850,999
Public works	-	-	-	-	150,500	324,422	324,202	220
Judicial	8,250,858	8,581,567	8,580,749	818	4,077,009	4,652,914	4,652,714	200
Cultural and recreation	405,142	575,038	573,587	1,451	207,770	275,124	272,659	2,465
General government	11,331,972	11,342,212	11,247,987	94,225	2,464,959	2,839,998	2,636,193	203,805
Health	4,150	6,950	6,908	42	2,789,033	2,784,951	2,784,951	-
Welfare	281,359	283,639	283,627	12	49,560	49,050	43,769	5,281
Economic development	-	-	-	-	425,363	425,363	343,387	81,976
Total expenditures	\$ 38,306,508	\$ 39,161,975	\$ 38,929,791	\$ 232,184	\$ 13,837,424	\$ 13,607,593	\$ 12,462,647	\$ 1,144,946

	Noncontrollable Expenditures				Total before Capital Outlay			
	Original Budget	Final Budget	Actual	Variance	Original Budget	Final Budget	Actual	Variance
Public safety	\$ 1,228,617	\$ 1,163,822	\$ 1,162,510	\$ 1,312	\$ 22,934,874	\$ 21,792,162	\$ 20,804,215	\$ 987,947
Public works	-	-	-	-	150,500	324,422	324,202	220
Judicial	1,079,832	962,232	926,082	36,150	13,407,699	14,196,713	14,159,545	37,168
Cultural and recreation	104,318	94,318	86,107	8,211	717,230	944,480	932,353	12,127
General government	974,594	927,880	830,572	97,308	14,771,525	15,110,090	14,714,752	395,338
Health	85	85	64	21	2,793,268	2,791,986	2,791,923	63
Welfare	26,804	26,804	22,346	4,458	357,723	359,493	349,742	9,751
Economic development	13,309	14,909	14,902	7	438,672	440,272	358,289	81,983
Total expenditures	\$ 3,427,559	\$ 3,190,050	\$ 3,042,583	\$ 147,467	\$ 55,571,491	\$ 55,959,618	\$ 54,435,021	\$ 1,524,597

	Capital Outlay			
	Original Budget	Final Budget	Actual	Variance
Public safety	\$ 344,800	\$ 902,171	\$ 880,419	\$ 21,752
Judicial	5,750	5,750	4,214	1,536
General government	68,024	62,135	31,101	31,034
Total expenditures	\$ 418,574	\$ 970,056	\$ 915,734	\$ 54,322

NONMAJOR GOVERNMENTAL FUNDS

INGHAM COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Fund Types
December 31, 2007

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 27,984,820	\$ 463,325	\$ 46,680	\$ 28,494,825
Property taxes receivable	11,019,948	-	-	11,019,948
Accounts receivable	233,506	-	-	233,506
Accrued interest receivable	37,081	5	-	37,086
Due from other funds	2,376,390	193,360	-	2,569,750
Due from other governmental units	2,407,336	-	-	2,407,336
Rehabilitation loans receivable	1,607,858	-	-	1,607,858
	<u>\$ 45,666,939</u>	<u>\$ 656,690</u>	<u>\$ 46,680</u>	<u>\$ 46,370,309</u>
Total assets	<u>\$ 45,666,939</u>	<u>\$ 656,690</u>	<u>\$ 46,680</u>	<u>\$ 46,370,309</u>
Liabilities				
Accounts payable	\$ 3,687,976	\$ -	\$ -	\$ 3,687,976
Salaries and related withholdings	319,378	-	-	319,378
Interfund payable	1,843,484	-	-	1,843,484
Due to other funds	661,486	321,053	-	982,539
Due to other governmental units	191,551	-	-	191,551
Deposits payable	1,312	-	-	1,312
Advances from other funds	33,496	-	-	33,496
Deferred revenue	11,495,202	256,261	-	11,751,463
	<u>18,233,885</u>	<u>577,314</u>	<u>-</u>	<u>18,811,199</u>
Total liabilities	<u>18,233,885</u>	<u>577,314</u>	<u>-</u>	<u>18,811,199</u>
Fund balances				
Unreserved:				
Designated for future expenditures	6,204,915	-	-	6,204,915
Undesignated	21,228,139	79,376	46,680	21,354,195
	<u>27,433,054</u>	<u>79,376</u>	<u>46,680</u>	<u>27,559,110</u>
Total fund balances	<u>27,433,054</u>	<u>79,376</u>	<u>46,680</u>	<u>27,559,110</u>
Total liabilities and fund balances	<u>\$ 45,666,939</u>	<u>\$ 656,690</u>	<u>\$ 46,680</u>	<u>\$ 46,370,309</u>

INGHAM COUNTY, MICHIGAN
Nonmajor Governmental Fund Types
Combining Statement of Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2007

	Special Revenue	Debt Service	Capital Projects	Total
Revenue				
Taxes	\$ 13,038,644	\$ -	\$ -	\$ 13,038,644
Intergovernmental	12,612,438	-	-	12,612,438
Charges for services	1,533,322	-	-	1,533,322
Interest	1,035,421	4,492	-	1,039,913
Other	493,464	403,575	-	897,039
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	28,713,289	408,067	-	29,121,356
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Public safety	1,800,414	-	-	1,800,414
Public works	3,509,499	-	-	3,509,499
Culture and recreation	5,660,040	-	-	5,660,040
General government	5,446,201	-	-	5,446,201
Welfare	17,116,546	-	-	17,116,546
Education	61,961	-	-	61,961
Economic development	87,211	-	-	87,211
Capital outlay	603,626	-	-	603,626
Debt service:				
Principal retirement	145,896	1,955,000	-	2,100,896
Interest and fiscal charges	45,183	1,060,997	-	1,106,180
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	34,476,577	3,015,997	-	37,492,574
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue under expenditures	(5,763,288)	(2,607,930)	-	(8,371,218)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	14,922,601	2,602,455	-	17,525,056
Transfers (out)	(3,928,510)	(78,084)	-	(4,006,594)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	10,994,091	2,524,371	-	13,518,462
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	5,230,803	(83,559)	-	5,147,244
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year, as restated	22,202,251	162,935	46,680	22,411,866
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 27,433,054</u>	<u>\$ 79,376</u>	<u>\$ 46,680</u>	<u>\$ 27,559,110</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Description of Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Parks – This fund is used to account for the operations and maintenance of County owned parks and facilities. Financing is primarily provided by General Fund appropriations.

Family Counseling Service – This fund is used to account for the operations of a family counseling service. Financing is provided by marriage license fees.

Friend of the Court Service – This fund is used to account for mediation services regarding custody or visitation rights to parties involved in divorce. This fund is also used to account for grant revenues that are specifically restricted to the provision of Child Support Services. Financing is provided by State and Federal sources and a County appropriation.

ROD Automation – This fund is used to account for the collection of \$5 of the total fee collected for each recording which is used to fund the upgrading of technology in the Register of Deed's Office.

Local Law Enforcement Block Grant – This fund is used to account for a federal grant award for law enforcement.

Hotel/Motel Accommodation Tax – This fund is used to account for a collection of a five percent hotel room tax. This tax provides funding for the Lansing Convention and Visitors Bureau. Board of Commissioner's resolutions allocate a portion of these revenues to promote tourism and convention business. State law limits the use of Hotel/Motel accommodation tax revenue to the development and promotion of convention and entertainment facilities.

Public Improvements – This fund is used to account for the acquisition of specific public improvements and equipment for public buildings. It may also be used to account for the repair, maintenance, and alteration of public improvements and public buildings. Financing is provided from non-tax revenues generated by other funds.

Work Study Program – This fund is used to account for payment of wages and fringe benefits for students working for Ingham County in an effort to supplement their education. Financing is provided through reimbursement from local educational institutions and General Fund appropriations.

Budget Stabilization – This fund is used to account for funds transferred by resolution from the County's General Fund under provisions of Public Act 30 of 1978. The monies in this fund may only be appropriated by a resolution adopted by two-thirds vote of the Board of Commissioners for the purposes stated in the Budget Stabilization Ordinance.

Zoo – This fund is used to account for a special millage for the operation, maintenance and improvement of Potter Park Zoo.

Juvenile Justice Millage – This fund is used to account for a special millage for juvenile care.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Concluded)

Drug Law Enforcement – This fund is used to account for property forfeited pursuant to the Enforcement of Controlled Substances, Public Act 135 of 1985. Financing is provided from the sale of forfeited property. Funds provided from forfeited property can be used to pay for the expense of seizure, court costs, maintenance and expense of sale, as well as drug law enforcement activities.

Local Correction Training – This fund is used to account for the collection of the County jail booking fee which is used to fund the training of local corrections officers.

Anti-Drug Abuse Grant – This fund is used to account for the legal costs of drug forfeiture proceedings. Financing is provided through a local grant.

Community Corrections – This fund is used to account for the County's community corrections program. Ingham County and the City of Lansing have established a joint Community Corrections Advisory Board (CCAB). The CCAB follows state guidelines in directing the development and implementation of a comprehensive community corrections plan. This program is State funded.

Law Library – This fund is used to record revenues provided for the maintenance of a law library. Money for the operation of this fund is from the statutory transfer of penal fines.

Criminal Justice Training – This fund is used to account for the distribution of criminal justice training funds from the Department of Management and Budget, Office of Criminal Justice, pursuant to Public Acts 301 and 302 of 1982. This funding provides in-service criminal justice training to police officers.

Department of Human Services (DHS) Child Care – This fund is used to account for the operations necessary to provide care and supervision of children requiring out of home placement and to provide support and assistance to families in need. Financing is provided through a State grant and County appropriation.

Social Welfare – This fund is used to account for funds which are provided by County, State, and Federal governments to administer the social welfare department, assist eligible recipients, and to administer various State and Federal social welfare programs.

Family Court Child Care – This fund is used to account for the foster care of children. Funding comes from the State and Federal governments as well as from County appropriations.

Veterans' Trust – This fund is used to account for revenue set aside for aid to veterans. Funding is supplied through State grants.

Community Development Block Grant – This fund is used to account for activities, primarily residential rehabilitation, under this federal program.

County Transportation System – This fund is used to account for the operations of a transportation service for elderly and disabled County residents. Financing is provided through a County tax levy.

Cooperative Reimbursement Prosecuting Attorney – This fund is used to account for grant monies which are used to provide child support services to eligible recipients. Funding is provided from State and Federal sources, and through the Michigan Family Independence Agency, Office of Child Support.

INGHAM COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007

	<u>Parks</u>	<u>Family Counseling Service</u>	<u>Friend of the Court Service</u>	<u>ROD Automation</u>	<u>Local Law Enforcement Block Grant</u>
Assets					
Pooled cash and investments	\$1,168,752	\$ 7,711	\$ -	\$ 959,799	\$ 4,445
Property taxes receivable	-	-	-	-	-
Accounts receivable	-	120	6,652	-	-
Accrued interest receivable	-	-	-	1,861	11
Due from other funds	6,252	-	56,493	-	-
Due from other governmental units	-	-	664,342	-	-
Rehabilitation loans receivable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$1,175,004</u>	<u>\$ 7,831</u>	<u>\$ 727,487</u>	<u>\$ 961,660</u>	<u>\$ 4,456</u>
Liabilities					
Accounts payable	\$ 32,734	\$ 2,500	\$ 8,916	\$ -	\$ -
Salaries and related withholdings	28,909	-	87,906	-	-
Interfund payable	-	-	541,321	-	-
Due to other funds	47,305	-	77,673	892	-
Due to other governmental units	473	-	-	-	-
Deposits payable	1,312	-	-	-	-
Advances from other funds	33,496	-	-	-	-
Deferred revenue	11,505	-	-	-	4,456
	<u>155,734</u>	<u>2,500</u>	<u>715,816</u>	<u>892</u>	<u>4,456</u>
Total liabilities	<u>155,734</u>	<u>2,500</u>	<u>715,816</u>	<u>892</u>	<u>4,456</u>
Fund balances					
Unreserved:					
Designated for future expenditures	720,042	-	11,671	960,768	-
Undesignated	299,228	5,331	-	-	-
	<u>1,019,270</u>	<u>5,331</u>	<u>11,671</u>	<u>960,768</u>	<u>-</u>
Total fund balances	<u>1,019,270</u>	<u>5,331</u>	<u>11,671</u>	<u>960,768</u>	<u>-</u>
Total liabilities and fund balances	<u>\$1,175,004</u>	<u>\$ 7,831</u>	<u>\$ 727,487</u>	<u>\$ 961,660</u>	<u>\$ 4,456</u>

Hotel/Motel Accommodation Tax	Public Improvements	Work Study Program	Budget Stabilization	Zoo	Juvenile Justice Mileage	Drug Law Enforcement
\$ 515,650	\$ 3,762,252	\$ -	\$ 9,502,365	\$ 2,218,463	\$ 7,362,554	\$ 103,376
-	-	-	-	3,278,680	4,326,042	-
122,086	35,513	2,113	-	35,914	5,000	3,640
-	6,734	-	-	5,144	16,973	-
23,557	11,674	45	360,000	14,004	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 661,293</u>	<u>\$ 3,816,173</u>	<u>\$ 2,158</u>	<u>\$ 9,862,365</u>	<u>\$ 5,552,205</u>	<u>\$ 11,710,569</u>	<u>\$ 107,016</u>
\$ 105,289	\$ 26,437	\$ -	\$ -	\$ 163,749	\$ -	\$ -
-	-	64	-	29,773	-	-
-	-	2,094	-	-	-	-
57,414	2,690	-	-	41,455	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	3,411,638	4,498,447	-
<u>162,703</u>	<u>29,127</u>	<u>2,158</u>	<u>-</u>	<u>3,646,615</u>	<u>4,498,447</u>	<u>-</u>
498,590	3,787,046	-	-	86,394	-	107,016
-	-	-	9,862,365	1,819,196	7,212,122	-
<u>498,590</u>	<u>3,787,046</u>	<u>-</u>	<u>9,862,365</u>	<u>1,905,590</u>	<u>7,212,122</u>	<u>107,016</u>
<u>\$ 661,293</u>	<u>\$ 3,816,173</u>	<u>\$ 2,158</u>	<u>\$ 9,862,365</u>	<u>\$ 5,552,205</u>	<u>\$ 11,710,569</u>	<u>\$ 107,016</u>

Continued...

INGHAM COUNTY, MICHIGAN
Combining Balance Sheet (Concluded)
Nonmajor Special Revenue Funds
December 31, 2007

	<u>Local Correction Training</u>	<u>Anti-Drug Abuse Grant</u>	<u>Community Corrections</u>	<u>Law Library</u>	<u>Criminal Justice Training</u>
ASSETS					
Pooled cash and investments	\$ 292,264	\$ 1,188	\$ 6,261	\$ 12,352	\$ 22,855
Property taxes receivable	-	-	-	-	-
Accounts receivable	4,468	-	1,121	-	5,400
Accrued interest receivable	551	-	156	-	-
Due from other funds	-	86,892	50,579	-	-
Due from other governmental units	-	47,232	73,912	-	20,113
Rehabilitation loans receivable	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 297,283</u>	<u>\$ 135,312</u>	<u>\$ 132,029</u>	<u>\$ 12,352</u>	<u>\$ 48,368</u>
Liabilities					
Accounts payable	\$ 1,415	\$ 624	\$ 91,369	\$ -	\$ -
Salaries and amounts withheld therefrom	-	4,688	6,659	-	-
Interfund payable	-	-	-	-	-
Due to other funds	-	5,163	103	-	10,247
Due to other governmental units	-	74,078	-	-	-
Deposits payable	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Deferred revenue	-	-	510	-	-
	<u>-</u>	<u>-</u>	<u>510</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,415</u>	<u>84,553</u>	<u>98,641</u>	<u>-</u>	<u>10,247</u>
Fund balances					
Unreserved:					
Designated for future expenditures	-	-	33,388	-	-
Undesignated	295,868	50,759	-	12,352	38,121
	<u>295,868</u>	<u>50,759</u>	<u>-</u>	<u>12,352</u>	<u>38,121</u>
Total fund balances	<u>295,868</u>	<u>50,759</u>	<u>33,388</u>	<u>12,352</u>	<u>38,121</u>
Total liabilities and fund balances	<u>\$ 297,283</u>	<u>\$ 135,312</u>	<u>\$ 132,029</u>	<u>\$ 12,352</u>	<u>\$ 48,368</u>

<u>DHS Child Care</u>	<u>Social Welfare</u>	<u>Family Court Child Care</u>	<u>Veterans' Trust</u>	<u>Community Development Block Grant</u>	<u>County Transportation System</u>	<u>Cooperative Reimbursement Prosecuting Attorney</u>	<u>Totals</u>
\$ -	\$ 51,798	\$ -	\$ 3,434	\$ 92,435	\$ 1,896,866	\$ -	\$ 27,984,820
-	-	-	-	-	3,415,226	-	11,019,948
-	-	11,479	-	-	-	-	233,506
-	-	-	-	-	5,651	-	37,081
311,537	-	1,445,673	-	-	-	9,684	2,376,390
4,190	65,740	1,401,761	-	-	-	130,046	2,407,336
-	-	-	-	1,607,858	-	-	1,607,858
<u>\$ 315,727</u>	<u>\$ 117,538</u>	<u>\$ 2,858,913</u>	<u>\$ 3,434</u>	<u>\$ 1,700,293</u>	<u>\$ 5,317,743</u>	<u>\$ 139,730</u>	<u>\$ 45,666,939</u>
\$ 203,954	\$ -	\$ 1,321,656	\$ 54	\$ 88,059	\$ 1,639,393	\$ 1,827	\$ 3,687,976
-	-	146,275	-	-	-	15,104	319,378
111,773	-	1,073,419	-	-	-	114,877	1,843,484
-	538	317,563	-	67,806	24,715	7,922	661,486
-	117,000	-	-	-	-	-	191,551
-	-	-	-	-	-	-	1,312
-	-	-	-	-	-	-	33,496
-	-	-	-	-	3,568,646	-	11,495,202
<u>315,727</u>	<u>117,538</u>	<u>2,858,913</u>	<u>54</u>	<u>155,865</u>	<u>5,232,754</u>	<u>139,730</u>	<u>18,233,885</u>
-	-	-	-	-	-	-	6,204,915
-	-	-	3,380	1,544,428	84,989	-	21,228,139
-	-	-	3,380	1,544,428	84,989	-	27,433,054
<u>\$ 315,727</u>	<u>\$ 117,538</u>	<u>\$ 2,858,913</u>	<u>\$ 3,434</u>	<u>\$ 1,700,293</u>	<u>\$ 5,317,743</u>	<u>\$ 139,730</u>	<u>\$ 45,666,939</u>

INGHAM COUNTY, MICHIGAN
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2007

	<u>Parks</u>	<u>Family Counseling Service</u>	<u>Friend of the Court Service</u>	<u>ROD Automation</u>	<u>Local Law Enforcement Block Grant</u>
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	15,000	-	3,117,316	-	893
Charges for services	361,422	-	181,484	258,493	-
Interest	1,514	-	-	45,917	268
Other	11,160	29,580	-	-	-
	<u>389,096</u>	<u>29,580</u>	<u>3,298,800</u>	<u>304,410</u>	<u>1,161</u>
Total revenue					
Expenditures					
Current:					
Public safety	-	-	-	-	1,356
Public works	-	-	-	-	-
Culture and recreation	2,409,029	-	-	-	-
General government	-	-	4,475,086	199,906	-
Welfare	-	-	-	-	-
Education	-	24,412	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	787	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
	<u>2,409,029</u>	<u>24,412</u>	<u>4,475,873</u>	<u>199,906</u>	<u>1,356</u>
Total expenditures					
Revenue over (under) expenditures	<u>(2,019,933)</u>	<u>5,168</u>	<u>(1,177,073)</u>	<u>104,504</u>	<u>(195)</u>
Other financing sources (uses)					
Transfers in	2,784,159	-	1,217,393	-	-
Transfers out	(3,712)	(20,000)	(29,777)	(5,568)	-
	<u>2,780,447</u>	<u>(20,000)</u>	<u>1,187,616</u>	<u>(5,568)</u>	<u>-</u>
Total other financing sources (uses)					
Net change in fund balances	760,514	(14,832)	10,543	98,936	(195)
Fund balance, beginning of year, as restated	<u>258,756</u>	<u>20,163</u>	<u>1,128</u>	<u>861,832</u>	<u>195</u>
Fund balance, end of year	<u>\$ 1,019,270</u>	<u>\$ 5,331</u>	<u>\$ 11,671</u>	<u>\$ 960,768</u>	<u>\$ -</u>

Hotel/Motel Accommodation Tax	Public Improvements	Work Study Program	Budget Stabilization	Zoo	Juvenile Justice Millage	Drug Law Enforcement
\$ 2,052,379	\$ -	\$ -	\$ -	\$ 3,310,162	\$ 4,245,544	\$ -
-	-	25,182	-	-	7,508	-
-	-	-	-	241,473	-	-
-	165,875	-	-	128,008	536,049	-
-	95,898	-	-	680	-	12,004
<u>2,052,379</u>	<u>261,773</u>	<u>25,182</u>	<u>-</u>	<u>3,680,323</u>	<u>4,789,101</u>	<u>12,004</u>
-	-	-	-	-	-	51,860
-	-	-	-	-	-	-
1,847,141	-	-	-	1,403,870	-	-
-	771,209	-	-	-	-	-
-	-	-	-	-	76,742	-
-	-	37,549	-	-	-	-
-	-	-	-	-	-	-
-	214,976	-	-	370,863	-	-
-	145,896	-	-	-	-	-
-	45,183	-	-	-	-	-
<u>1,847,141</u>	<u>1,177,264</u>	<u>37,549</u>	<u>-</u>	<u>1,774,733</u>	<u>76,742</u>	<u>51,860</u>
<u>205,238</u>	<u>(915,491)</u>	<u>(12,367)</u>	<u>-</u>	<u>1,905,590</u>	<u>4,712,359</u>	<u>(39,856)</u>
-	1,743,563	12,367	360,000	-	-	-
(139,059)	-	-	-	-	(3,619,064)	-
<u>(139,059)</u>	<u>1,743,563</u>	<u>12,367</u>	<u>360,000</u>	<u>-</u>	<u>(3,619,064)</u>	<u>-</u>
66,179	828,072	-	360,000	1,905,590	1,093,295	(39,856)
<u>432,411</u>	<u>2,958,974</u>	<u>-</u>	<u>9,502,365</u>	<u>-</u>	<u>6,118,827</u>	<u>146,872</u>
<u>\$ 498,590</u>	<u>\$ 3,787,046</u>	<u>\$ -</u>	<u>\$ 9,862,365</u>	<u>\$ 1,905,590</u>	<u>\$ 7,212,122</u>	<u>\$ 107,016</u>

Continued...

INGHAM COUNTY, MICHIGAN
Nonmajor Special Revenue Funds
Combining Statement of Revenue, Expenditures
and Changes in Fund Balance (Concluded)
For the Year Ended December 31, 2007

	Local Correction Training	Anti-Drug Abuse Grant	Community Corrections	Law Library	Criminal Justice Training
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	113,665	647,539	-	77,090
Charges for services	68,257	-	266,719	-	-
Interest	13,567	2,336	1,721	-	-
Other	-	229,669	-	17,000	-
	<u>-</u>	<u>229,669</u>	<u>-</u>	<u>17,000</u>	<u>-</u>
Total revenue	<u>81,824</u>	<u>345,670</u>	<u>915,979</u>	<u>17,000</u>	<u>77,090</u>
Expenditures					
Current:					
Public safety	16,018	509,405	1,144,436	-	77,339
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
General government	-	-	-	-	-
Welfare	-	-	-	-	-
Education	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	17,000	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>16,018</u>	<u>509,405</u>	<u>1,144,436</u>	<u>17,000</u>	<u>77,339</u>
Revenue over (under) expenditures	<u>65,806</u>	<u>(163,735)</u>	<u>(228,457)</u>	<u>-</u>	<u>(249)</u>
Other financing sources (uses)					
Transfers in	-	189,761	236,412	-	-
Transfers out	-	(9,316)	(1,547)	-	-
	<u>-</u>	<u>(9,316)</u>	<u>(1,547)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>180,445</u>	<u>234,865</u>	<u>-</u>	<u>-</u>
Net change in fund balances	65,806	16,710	6,408	-	(249)
Fund balance, beginning of year	<u>230,062</u>	<u>34,049</u>	<u>26,980</u>	<u>12,352</u>	<u>38,370</u>
Fund balance, end of year	<u>\$ 295,868</u>	<u>\$ 50,759</u>	<u>\$ 33,388</u>	<u>\$ 12,352</u>	<u>\$ 38,121</u>

DHS Child Care	Social Welfare	Family Court Child Care	Veterans' Trust	Community Development Block Grant	County Transportation System	Cooperative Reimbursement Prosecuting Attorney	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,430,559	\$ -	\$ 13,038,644
1,390,298	812,020	5,630,613	53,708	187,329	5,106	529,171	12,612,438
-	-	155,474	-	-	-	-	1,533,322
-	-	-	-	-	140,166	-	1,035,421
97,141	-	16	-	316	-	-	493,464
<u>1,487,439</u>	<u>812,020</u>	<u>5,786,103</u>	<u>53,708</u>	<u>187,645</u>	<u>3,575,831</u>	<u>529,171</u>	<u>28,713,289</u>
-	-	-	-	-	-	-	1,800,414
-	-	-	-	-	3,509,499	-	3,509,499
-	-	-	-	-	-	-	5,660,040
-	-	-	-	-	-	-	5,446,201
2,744,341	864,683	12,582,171	46,125	-	-	802,484	17,116,546
-	-	-	-	-	-	-	61,961
-	-	-	-	87,211	-	-	87,211
-	-	-	-	-	-	-	603,626
-	-	-	-	-	-	-	145,896
-	-	-	-	-	-	-	45,183
<u>2,744,341</u>	<u>864,683</u>	<u>12,582,171</u>	<u>46,125</u>	<u>87,211</u>	<u>3,509,499</u>	<u>802,484</u>	<u>34,476,577</u>
<u>(1,256,902)</u>	<u>(52,663)</u>	<u>(6,796,068)</u>	<u>7,583</u>	<u>100,434</u>	<u>66,332</u>	<u>(273,313)</u>	<u>(5,763,288)</u>
1,256,902	52,663	6,796,068	-	-	-	273,313	14,922,601
-	-	-	(7,800)	-	(92,667)	-	(3,928,510)
<u>1,256,902</u>	<u>52,663</u>	<u>6,796,068</u>	<u>(7,800)</u>	<u>-</u>	<u>(92,667)</u>	<u>273,313</u>	<u>10,994,091</u>
-	-	-	(217)	100,434	(26,335)	-	5,230,803
-	-	-	3,597	1,443,994	111,324	-	22,202,251
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,380</u>	<u>\$ 1,544,428</u>	<u>\$ 84,989</u>	<u>\$ -</u>	<u>\$ 27,433,054</u>

INGHAM COUNTY, MICHIGAN
Parks
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,774,912	15,000	(2,759,912)	138,275
Charges for services	308,679	361,422	52,743	297,128
Interest	-	1,514	1,514	227
Other	13,369	11,160	(2,209)	16,198
	<u>3,096,960</u>	<u>389,096</u>	<u>(2,707,864)</u>	<u>451,828</u>
Total revenue				
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	5,932,445	2,409,029	3,523,416	2,205,510
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	20,000	-	20,000	507,216
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>5,952,445</u>	<u>2,409,029</u>	<u>3,543,416</u>	<u>2,712,726</u>
Total expenditures				
Revenue over (under) expenditures	<u>(2,855,485)</u>	<u>(2,019,933)</u>	<u>835,552</u>	<u>(2,260,898)</u>
Other financing sources (uses)				
Transfers in	2,785,109	2,784,159	(950)	2,125,830
Transfers out	<u>(3,819)</u>	<u>(3,712)</u>	<u>107</u>	<u>(3,722)</u>
Total other financing sources (uses)	<u>2,781,290</u>	<u>2,780,447</u>	<u>(843)</u>	<u>2,122,108</u>
Net change in fund balance	<u>(74,195)</u>	<u>760,514</u>	<u>834,709</u>	<u>(138,790)</u>
Fund balance, beginning of year	<u>258,756</u>	<u>258,756</u>	<u>-</u>	<u>397,546</u>
Fund balance, end of year	<u>\$ 184,561</u>	<u>\$ 1,019,270</u>	<u>\$ 834,709</u>	<u>\$ 258,756</u>

INGHAM COUNTY, MICHIGAN
Family Counseling Service
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	40,000	29,580	(10,420)	30,225
Total revenue	40,000	29,580	(10,420)	30,225
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	25,000	24,412	588	21,217
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	25,000	24,412	588	21,217
Revenue over (under) expenditures	15,000	5,168	(9,832)	9,008
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(20,000)	(20,000)	-	(20,000)
Total other financing sources (uses)	(20,000)	(20,000)	-	(20,000)
Net change in fund balance	(5,000)	(14,832)	(9,832)	(10,992)
Fund balance, beginning of year	20,163	20,163	-	31,155
Fund balance, end of year	\$ 15,163	\$ 5,331	\$ (9,832)	\$ 20,163

INGHAM COUNTY, MICHIGAN
Friend of the Court Service
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,359,078	3,117,316	(241,762)	3,099,560
Charges for services	141,084	181,484	40,400	158,144
Interest	-	-	-	-
Other	-	-	-	-
Total revenue	<u>3,500,162</u>	<u>3,298,800</u>	<u>(201,362)</u>	<u>3,257,704</u>
Expenditures				
Current:				
General government				
Personnel services	4,097,642	3,990,063	107,579	3,924,255
Controllable	267,374	244,510	22,864	246,643
Noncontrollable	254,397	240,513	13,884	249,042
Capital outlay	<u>13,000</u>	<u>787</u>	<u>12,213</u>	<u>961</u>
Total expenditures	<u>4,632,413</u>	<u>4,475,873</u>	<u>156,540</u>	<u>4,420,901</u>
Revenue over (under) expenditures	<u>(1,132,251)</u>	<u>(1,177,073)</u>	<u>(44,822)</u>	<u>(1,163,197)</u>
Other financing sources (uses)				
Transfers in	1,160,900	1,217,393	56,493	1,193,992
Transfers out	<u>(29,777)</u>	<u>(29,777)</u>	<u>-</u>	<u>(29,667)</u>
Total other financing sources (uses)	<u>1,131,123</u>	<u>1,187,616</u>	<u>56,493</u>	<u>1,164,325</u>
Net change in fund balance	(1,128)	10,543	11,671	1,128
Fund balance, beginning of year	<u>1,128</u>	<u>1,128</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 11,671</u>	<u>\$ 11,671</u>	<u>\$ 1,128</u>

INGHAM COUNTY, MICHIGAN
ROD Automation
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	330,000	258,493	(71,507)	315,645
Interest	-	45,917	45,917	32,505
Other	-	-	-	-
Total revenue	330,000	304,410	(25,590)	348,150
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	235,289	199,906	35,383	118,106
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	235,289	199,906	35,383	118,106
Revenue over (under) expenditures	94,711	104,504	9,793	230,044
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(5,569)	(5,568)	1	(5,529)
Total other financing sources (uses)	(5,569)	(5,568)	1	(5,529)
Net change in fund balance	89,142	98,936	9,794	224,515
Fund balance, beginning of year	861,832	861,832	-	637,317
Fund balance, end of year	\$ 950,974	\$ 960,768	\$ 9,794	\$ 861,832

INGHAM COUNTY, MICHIGAN
Local Law Enforcement Block Grant
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,349	893	(4,456)	-
Charges for services	-	-	-	-
Interest	195	268	73	195
Other	-	-	-	-
Total revenue	<u>5,544</u>	<u>1,161</u>	<u>(4,383)</u>	<u>195</u>
Expenditures				
Current:				
Public safety	5,544	1,356	4,188	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>5,544</u>	<u>1,356</u>	<u>4,188</u>	<u>-</u>
Revenue over (under) expenditures	<u>-</u>	<u>(195)</u>	<u>(195)</u>	<u>195</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(195)	(195)	195
Fund balance, beginning of year	<u>195</u>	<u>195</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 195</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (195)</u></u>	<u><u>\$ 195</u></u>

INGHAM COUNTY, MICHIGAN
Hotel/Motel Accommodation Tax
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$2,037,142	\$2,052,379	\$ 15,237	\$1,987,122
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenue	<u>2,037,142</u>	<u>2,052,379</u>	<u>15,237</u>	<u>1,987,122</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,847,142	1,847,141	1	1,788,439
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,847,142</u>	<u>1,847,141</u>	<u>1</u>	<u>1,788,439</u>
Revenue over (under) expenditures	<u>190,000</u>	<u>205,238</u>	<u>15,238</u>	<u>198,683</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(197,500)</u>	<u>(139,059)</u>	<u>58,441</u>	<u>(184,868)</u>
Total other financing sources (uses)	<u>(197,500)</u>	<u>(139,059)</u>	<u>58,441</u>	<u>(184,868)</u>
Net change in fund balance	(7,500)	66,179	73,679	13,815
Fund balance, beginning of year	<u>432,411</u>	<u>432,411</u>	<u>-</u>	<u>418,596</u>
Fund balance, end of year	<u><u>\$ 424,911</u></u>	<u><u>\$ 498,590</u></u>	<u><u>\$ 73,679</u></u>	<u><u>\$ 432,411</u></u>

INGHAM COUNTY, MICHIGAN
Public Improvements
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	165,875	165,875	112,335
Other	700,000	95,898	(604,102)	2,000
	<u>700,000</u>	<u>261,773</u>	<u>(438,227)</u>	<u>114,335</u>
Total revenue	<u>700,000</u>	<u>261,773</u>	<u>(438,227)</u>	<u>114,335</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	1,682,863	771,209	911,654	756,607
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	1,112,225	214,976	897,249	378,021
Debt service:				
Principal	145,896	145,896	-	141,057
Interest and fiscal charges	45,183	45,183	-	50,021
	<u>2,986,167</u>	<u>1,177,264</u>	<u>1,808,903</u>	<u>1,325,706</u>
Total expenditures	<u>2,986,167</u>	<u>1,177,264</u>	<u>1,808,903</u>	<u>1,325,706</u>
Revenue over (under) expenditures	<u>(2,286,167)</u>	<u>(915,491)</u>	<u>1,370,676</u>	<u>(1,211,371)</u>
Other financing sources (uses)				
Transfers in	2,184,205	1,743,563	(440,642)	1,380,032
Transfers out	-	-	-	-
	<u>2,184,205</u>	<u>1,743,563</u>	<u>(440,642)</u>	<u>1,380,032</u>
Total other financing sources (uses)	<u>2,184,205</u>	<u>1,743,563</u>	<u>(440,642)</u>	<u>1,380,032</u>
Net change in fund balance	(101,962)	828,072	930,034	168,661
Fund balance, beginning of year	<u>2,958,974</u>	<u>2,958,974</u>	<u>-</u>	<u>2,790,313</u>
Fund balance, end of year	<u><u>\$2,857,012</u></u>	<u><u>\$3,787,046</u></u>	<u><u>\$ 930,034</u></u>	<u><u>\$2,958,974</u></u>

INGHAM COUNTY, MICHIGAN
Work Study Program
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	49,999	25,182	(24,817)	28,256
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
	<u>49,999</u>	<u>25,182</u>	<u>(24,817)</u>	<u>28,256</u>
Total revenue	<u>49,999</u>	<u>25,182</u>	<u>(24,817)</u>	<u>28,256</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education - personnel services	78,814	37,549	41,265	42,127
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>78,814</u>	<u>37,549</u>	<u>41,265</u>	<u>42,127</u>
Total expenditures	<u>78,814</u>	<u>37,549</u>	<u>41,265</u>	<u>42,127</u>
Revenue over (under) expenditures	<u>(28,815)</u>	<u>(12,367)</u>	<u>16,448</u>	<u>(13,871)</u>
Other financing sources (uses)				
Transfers in	28,815	12,367	(16,448)	13,871
Transfers out	-	-	-	-
	<u>28,815</u>	<u>12,367</u>	<u>(16,448)</u>	<u>13,871</u>
Total other financing sources (uses)	<u>28,815</u>	<u>12,367</u>	<u>(16,448)</u>	<u>13,871</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INGHAM COUNTY, MICHIGAN
Budget Stabilization
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	360,000	360,000	-	180,000
Transfers out	-	-	-	-
	<u>360,000</u>	<u>360,000</u>	<u>-</u>	<u>180,000</u>
Total other financing sources (uses)	<u>360,000</u>	<u>360,000</u>	<u>-</u>	<u>180,000</u>
Net change in fund balance	360,000	360,000	-	180,000
Fund balance, beginning of year	<u>9,502,365</u>	<u>9,502,365</u>	<u>-</u>	<u>9,322,365</u>
Fund balance, end of year	<u><u>\$9,862,365</u></u>	<u><u>\$9,862,365</u></u>	<u><u>\$ -</u></u>	<u><u>\$9,502,365</u></u>

INGHAM COUNTY, MICHIGAN

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Schedule of Revenue, Expenditures and Changes in Fund Balance - Amended Budget and Actual For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$2,197,028	\$3,310,162	\$1,113,134	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	241,473	241,473	-
Interest	-	128,008	128,008	-
Other	-	680	680	-
	<u>2,197,028</u>	<u>3,680,323</u>	<u>1,483,295</u>	<u>-</u>
Total revenue				
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	1,542,263	1,403,870	138,393	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	654,765	370,863	283,902	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>2,197,028</u>	<u>1,774,733</u>	<u>422,295</u>	<u>-</u>
Total expenditures				
Revenue over (under) expenditures	<u>-</u>	<u>1,905,590</u>	<u>1,905,590</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	-	1,905,590	1,905,590	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,905,590</u></u>	<u><u>\$ 1,905,590</u></u>	<u><u>\$ -</u></u>

INGHAM COUNTY, MICHIGAN
Juvenile Justice Milage
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$4,204,626	\$4,245,544	\$ 40,918	\$4,157,971
Intergovernmental	5,500	7,508	2,008	-
Charges for services	-	-	-	-
Interest	150,000	536,049	386,049	279,989
Other	-	-	-	-
	<u>4,360,126</u>	<u>4,789,101</u>	<u>428,975</u>	<u>4,437,960</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	197,939	76,742	121,197	54,912
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>197,939</u>	<u>76,742</u>	<u>121,197</u>	<u>54,912</u>
Total expenditures	<u>197,939</u>	<u>76,742</u>	<u>121,197</u>	<u>54,912</u>
Revenue over (under) expenditures	<u>4,162,187</u>	<u>4,712,359</u>	<u>550,172</u>	<u>4,383,048</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(3,888,256)	(3,619,064)	269,192	(2,401,800)
	<u>(3,888,256)</u>	<u>(3,619,064)</u>	<u>269,192</u>	<u>(2,401,800)</u>
Total other financing sources (uses)	<u>(3,888,256)</u>	<u>(3,619,064)</u>	<u>269,192</u>	<u>(2,401,800)</u>
Net change in fund balance	273,931	1,093,295	819,364	1,981,248
Fund balance, beginning of year	<u>6,118,827</u>	<u>6,118,827</u>	<u>-</u>	<u>4,137,579</u>
Fund balance, end of year	<u><u>\$6,392,758</u></u>	<u><u>\$7,212,122</u></u>	<u><u>\$ 819,364</u></u>	<u><u>\$6,118,827</u></u>

INGHAM COUNTY, MICHIGAN
Drug Law Enforcement
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	10,000	12,004	2,004	22,932
Total revenue	10,000	12,004	2,004	22,932
Expenditures				
Current:				
Public safety	66,087	51,860	14,227	25,088
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	66,087	51,860	14,227	25,088
Revenue over (under) expenditures	(56,087)	(39,856)	16,231	(2,156)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(56,087)	(39,856)	16,231	(2,156)
Fund balance, beginning of year	146,872	146,872	-	149,028
Fund balance, end of year	\$ 90,785	\$ 107,016	\$ 16,231	\$ 146,872

INGHAM COUNTY, MICHIGAN
Local Correction Training
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	3,000	68,257	65,257	72,239
Interest	-	13,567	13,567	8,083
Other	-	-	-	-
	<u>3,000</u>	<u>81,824</u>	<u>78,824</u>	<u>80,322</u>
Total revenue				
	<u>3,000</u>	<u>81,824</u>	<u>78,824</u>	<u>80,322</u>
Expenditures				
Current:				
Public safety	3,000	16,018	(13,018)	2,650
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>3,000</u>	<u>16,018</u>	<u>(13,018)</u>	<u>2,650</u>
Total expenditures				
	<u>3,000</u>	<u>16,018</u>	<u>(13,018)</u>	<u>2,650</u>
Revenue over (under) expenditures	<u>-</u>	<u>65,806</u>	<u>65,806</u>	<u>77,672</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	65,806	65,806	77,672
Fund balance, beginning of year	230,062	230,062	-	152,390
Fund balance, end of year	<u>\$ 230,062</u>	<u>\$ 295,868</u>	<u>\$ 65,806</u>	<u>\$ 230,062</u>

INGHAM COUNTY, MICHIGAN
Anti-Drug Abuse Grant
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	115,515	113,665	(1,850)	104,892
Charges for services	-	-	-	-
Interest	-	2,336	2,336	1,617
Other	284,374	229,669	(54,705)	253,424
	<u>399,889</u>	<u>345,670</u>	<u>(54,219)</u>	<u>359,933</u>
Expenditures				
Current:				
Public safety:				
Personnel services	228,959	227,994	965	212,392
Controllable	274,374	280,057	(5,683)	286,827
Noncontrollable	2,070	1,354	716	1,399
Capital outlay	-	-	-	-
	<u>505,403</u>	<u>509,405</u>	<u>(4,002)</u>	<u>500,618</u>
Total expenditures	<u>505,403</u>	<u>509,405</u>	<u>(4,002)</u>	<u>500,618</u>
Revenue over (under) expenditures	<u>(105,514)</u>	<u>(163,735)</u>	<u>(58,221)</u>	<u>(140,685)</u>
Other financing sources (uses)				
Transfers in	115,514	189,761	74,247	139,280
Transfers out	(10,000)	(9,316)	684	-
	<u>105,514</u>	<u>180,445</u>	<u>74,931</u>	<u>139,280</u>
Total other financing sources (uses)	<u>105,514</u>	<u>180,445</u>	<u>74,931</u>	<u>139,280</u>
Net change in fund balance	-	16,710	16,710	(1,405)
Fund balance, beginning of year	<u>34,049</u>	<u>34,049</u>	<u>-</u>	<u>35,454</u>
Fund balance, end of year	<u>\$ 34,049</u>	<u>\$ 50,759</u>	<u>\$ 16,710</u>	<u>\$ 34,049</u>

INGHAM COUNTY, MICHIGAN
Community Corrections
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,003,825	647,539	(356,286)	853,439
Charges for services	351,500	266,719	(84,781)	273,083
Interest	-	1,721	1,721	292
Other	-	-	-	-
Total revenue	<u>1,355,325</u>	<u>915,979</u>	<u>(439,346)</u>	<u>1,126,814</u>
Expenditures				
Current:				
Public safety:				
Personnel services	395,970	325,060	70,910	405,433
Controllable	1,165,068	799,369	365,699	1,010,730
Noncontrollable	24,517	20,007	4,510	22,471
Capital outlay	-	-	-	-
Total expenditures	<u>1,585,555</u>	<u>1,144,436</u>	<u>441,119</u>	<u>1,438,634</u>
Revenue over (under) expenditures	<u>(230,230)</u>	<u>(228,457)</u>	<u>1,773</u>	<u>(311,820)</u>
Other financing sources (uses)				
Transfers in	231,777	236,412	4,635	318,800
Transfers out	<u>(1,547)</u>	<u>(1,547)</u>	<u>-</u>	<u>(1,498)</u>
Total other financing sources (uses)	<u>230,230</u>	<u>234,865</u>	<u>4,635</u>	<u>317,302</u>
Net change in fund balance	-	6,408	6,408	5,482
Fund balance, beginning of year	<u>26,980</u>	<u>26,980</u>	<u>-</u>	<u>21,498</u>
Fund balance, end of year	<u>\$ 26,980</u>	<u>\$ 33,388</u>	<u>\$ 6,408</u>	<u>\$ 26,980</u>

INGHAM COUNTY, MICHIGAN
Law Library
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	17,000	17,000	-	17,000
Total revenue	17,000	17,000	-	17,000
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	17,000	17,000	-	17,020
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	17,000	17,000	-	17,020
Revenue over (under) expenditures	-	-	-	(20)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	(20)
Fund balance, beginning of year	12,352	12,352	-	12,372
Fund balance, end of year	\$ 12,352	\$ 12,352	\$ -	\$ 12,352

INGHAM COUNTY, MICHIGAN
Criminal Justice Training Grant
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,000	77,090	53,090	93,277
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
	<u>24,000</u>	<u>77,090</u>	<u>53,090</u>	<u>93,277</u>
Total revenue	<u>24,000</u>	<u>77,090</u>	<u>53,090</u>	<u>93,277</u>
Expenditures				
Current:				
Public safety	24,949	77,339	(52,390)	84,514
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>24,949</u>	<u>77,339</u>	<u>(52,390)</u>	<u>84,514</u>
Total expenditures	<u>24,949</u>	<u>77,339</u>	<u>(52,390)</u>	<u>84,514</u>
Revenue over (under) expenditures	<u>(949)</u>	<u>(249)</u>	<u>700</u>	<u>8,763</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(949)	(249)	700	8,763
Fund balance, beginning of year	<u>38,370</u>	<u>38,370</u>	<u>-</u>	<u>29,607</u>
Fund balance, end of year	<u><u>\$ 37,421</u></u>	<u><u>\$ 38,121</u></u>	<u><u>\$ 700</u></u>	<u><u>\$ 38,370</u></u>

INGHAM COUNTY, MICHIGAN
Department of Human Services Child Care
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,339,636	1,390,298	50,662	1,062,152
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	141,798	97,141	(44,657)	41,012
Total revenue	1,481,434	1,487,439	6,005	1,103,164
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	2,744,372	2,744,341	31	2,141,217
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,744,372	2,744,341	31	2,141,217
Revenue over (under) expenditures	(1,262,938)	(1,256,902)	6,036	(1,038,053)
Other financing sources (uses)				
Transfers in	1,262,938	1,256,902	(6,036)	1,038,053
Transfers out	-	-	-	-
Total other financing sources (uses)	1,262,938	1,256,902	(6,036)	1,038,053
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

INGHAM COUNTY, MICHIGAN
Social Welfare
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,030,000	812,020	(217,980)	885,748
Charges for services	232,889	-	(232,889)	-
Interest	-	-	-	-
Other	-	-	-	-
	<u>1,262,889</u>	<u>812,020</u>	<u>(450,869)</u>	<u>885,748</u>
Total revenue				
	<u>1,262,889</u>	<u>812,020</u>	<u>(450,869)</u>	<u>885,748</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	1,316,090	864,683	451,407	894,682
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>1,316,090</u>	<u>864,683</u>	<u>451,407</u>	<u>894,682</u>
Total expenditures				
	<u>1,316,090</u>	<u>864,683</u>	<u>451,407</u>	<u>894,682</u>
Revenue over (under) expenditures				
	<u>(53,201)</u>	<u>(52,663)</u>	<u>538</u>	<u>(8,934)</u>
Other financing sources (uses)				
Transfers in	53,201	52,663	(538)	8,934
Transfers out	-	-	-	-
	<u>53,201</u>	<u>52,663</u>	<u>(538)</u>	<u>8,934</u>
Total other financing sources (uses)				
	<u>53,201</u>	<u>52,663</u>	<u>(538)</u>	<u>8,934</u>
Net change in fund balance				
	-	-	-	-
Fund balance, beginning of year				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INGHAM COUNTY, MICHIGAN
Family Court Child Care
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,780,147	5,630,613	(149,534)	5,006,192
Charges for services	74,100	155,474	81,374	86,046
Interest	-	-	-	-
Other	-	16	16	40
	<u>-</u>	<u>16</u>	<u>16</u>	<u>40</u>
Total revenue	<u>5,854,247</u>	<u>5,786,103</u>	<u>(68,144)</u>	<u>5,092,278</u>
Expenditures				
Current:				
Welfare:				
Personnel services	4,668,243	4,540,366	127,877	4,349,533
Controllable	7,976,135	7,976,134	1	6,781,133
Noncontrollable	107,893	65,671	42,222	88,225
Capital outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>12,752,271</u>	<u>12,582,171</u>	<u>170,100</u>	<u>11,218,891</u>
Revenue over (under) expenditures	<u>(6,898,024)</u>	<u>(6,796,068)</u>	<u>101,956</u>	<u>(6,126,613)</u>
Other financing sources (uses)				
Transfers in	6,898,024	6,796,068	(101,956)	6,126,613
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>6,898,024</u>	<u>6,796,068</u>	<u>(101,956)</u>	<u>6,126,613</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

INGHAM COUNTY, MICHIGAN
Veterans' Trust
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	53,925	53,708	(217)	56,008
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
	<u>53,925</u>	<u>53,708</u>	<u>(217)</u>	<u>56,008</u>
Total revenue	<u>53,925</u>	<u>53,708</u>	<u>(217)</u>	<u>56,008</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	46,125	46,125	-	46,506
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>46,125</u>	<u>46,125</u>	<u>-</u>	<u>46,506</u>
Total expenditures	<u>46,125</u>	<u>46,125</u>	<u>-</u>	<u>46,506</u>
Revenue over (under) expenditures	<u>7,800</u>	<u>7,583</u>	<u>(217)</u>	<u>9,502</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(7,800)	(7,800)	-	(7,800)
	<u>(7,800)</u>	<u>(7,800)</u>	<u>-</u>	<u>(7,800)</u>
Total other financing sources (uses)	<u>(7,800)</u>	<u>(7,800)</u>	<u>-</u>	<u>(7,800)</u>
Net change in fund balance	-	(217)	(217)	1,702
Fund balance, beginning of year	<u>3,597</u>	<u>3,597</u>	<u>-</u>	<u>1,895</u>
Fund balance, end of year	<u>\$ 3,597</u>	<u>\$ 3,380</u>	<u>\$ (217)</u>	<u>\$ 3,597</u>

INGHAM COUNTY, MICHIGAN
Community Development Block Grant
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	200,000	187,329	(12,671)	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	316	316	-
	<u>-</u>	<u>316</u>	<u>316</u>	<u>-</u>
Total revenue	<u>200,000</u>	<u>187,645</u>	<u>(12,355)</u>	<u>-</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	200,000	87,211	112,789	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>200,000</u>	<u>87,211</u>	<u>112,789</u>	<u>-</u>
Revenue over (under) expenditures	<u>-</u>	<u>100,434</u>	<u>100,434</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	100,434	100,434	-
Fund balance, beginning of year, as restated	<u>1,443,994</u>	<u>1,443,994</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,443,994</u></u>	<u><u>\$ 1,544,428</u></u>	<u><u>\$ 100,434</u></u>	<u><u>\$ -</u></u>

INGHAM COUNTY, MICHIGAN
County Transportation System
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ 3,430,641	\$ 3,430,559	\$ (82)	\$ 2,777,502
Intergovernmental	5,024	5,106	82	-
Charges for services	-	-	-	-
Interest	140,166	140,166	-	90,871
Other	-	-	-	-
	<u>3,575,831</u>	<u>3,575,831</u>	<u>-</u>	<u>2,868,373</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Public works	3,509,559	3,509,499	60	2,818,564
Culture and recreation	-	-	-	-
General government	-	-	-	-
Welfare	-	-	-	-
Education	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
	<u>3,509,559</u>	<u>3,509,499</u>	<u>60</u>	<u>2,818,564</u>
Total expenditures	<u>3,509,559</u>	<u>3,509,499</u>	<u>60</u>	<u>2,818,564</u>
Revenue over (under) expenditures	<u>66,272</u>	<u>66,332</u>	<u>60</u>	<u>49,809</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(92,667)	(92,667)	-	-
	<u>(92,667)</u>	<u>(92,667)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(92,667)</u>	<u>(92,667)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(26,395)	(26,335)	60	49,809
Fund balance, beginning of year	<u>111,324</u>	<u>111,324</u>	<u>-</u>	<u>61,515</u>
Fund balance, end of year	<u><u>\$ 84,929</u></u>	<u><u>\$ 84,989</u></u>	<u><u>\$ 60</u></u>	<u><u>\$ 111,324</u></u>

INGHAM COUNTY, MICHIGAN
Cooperative Reimbursement Prosecuting Attorney
Schedule of Revenue, Expenditures and Changes
in Fund Balance - Amended Budget and Actual
For the Year Ended December 31, 2007

	Final Budget	Actual	Variance Positive (Negative)	2006 Actual
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	615,403	529,171	(86,232)	530,134
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total revenue	<u>615,403</u>	<u>529,171</u>	<u>(86,232)</u>	<u>530,134</u>
Expenditures				
Current:				
Welfare:				
Personnel services	765,274	734,418	30,856	707,691
Controllable	89,048	51,970	37,078	55,899
Noncontrollable	24,710	16,096	8,614	16,710
Capital outlay	-	-	-	-
Total expenditures	<u>879,032</u>	<u>802,484</u>	<u>76,548</u>	<u>780,300</u>
Revenue over (under) expenditures	<u>(263,629)</u>	<u>(273,313)</u>	<u>(9,684)</u>	<u>(250,166)</u>
Other financing sources (uses)				
Transfers in	263,629	273,313	9,684	250,166
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>263,629</u>	<u>273,313</u>	<u>9,684</u>	<u>250,166</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Description of Funds

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Community Mental Health (CMH) / Jail / Courthouse Refunding – This fund is used to account for the payment of bonds related to the refunding of certain debt and for building construction, expansion and renovation projects. Funding will be provided through rents collected in the Internal Service Fund and General Fund appropriations.

Jail Renovation 2003 – This fund is used to account for the payment of principal and interest on bonds related to the jail renovation project. Funding will be provided by General Fund appropriations which will be supported by additional jail bed rentals.

Refunding Bonds 2005 – This fund is used to account for payment of principal and interest on bonds related to the refunding of certain debt. Funding is provided through rents collected in an Internal Service Fund and General Fund appropriations.

Grady Porter Building Renovation – This fund is used to account for the retirement of bonds issued. Funding is provided by transfers from various County funds.

INGHAM COUNTY, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2007

	Building Authority				
	CMH/Jail/ Courthouse Refunding	Jail Renovation 2003	Refunding Bonds 2005	Grady Porter Building Renovation	Totals
Assets					
Pooled cash and investments	\$ 179,291	\$ 30,345	\$ 253,013	\$ 676	\$ 463,325
Accrued interest receivable	-	1	-	4	5
Due from other funds	144	-	193,216	-	193,360
Total assets	<u>\$ 179,435</u>	<u>\$ 30,346</u>	<u>\$ 446,229</u>	<u>\$ 680</u>	<u>\$ 656,690</u>
Liabilities					
Due to other funds	\$ 91,129	\$ -	\$ 229,924	\$ -	321,053
Deferred revenue	40,755	-	215,506	-	256,261
Total liabilities	131,884	-	445,430	-	577,314
Fund balances					
Unreserved, undesignated	47,551	30,346	799	680	79,376
Total liabilities and fund balances	<u>\$ 179,435</u>	<u>\$ 30,346</u>	<u>\$ 446,229</u>	<u>\$ 680</u>	<u>\$ 656,690</u>

INGHAM COUNTY, MICHIGAN
Nonmajor Debt Service Funds
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2007

	Building Authority				
	CMH/Jail/ Courthouse Refunding	Jail Renovation 2003	Refunding Bonds 2005	Grady Porter Building Renovation	Totals
Revenue					
Interest	\$ 2,762	\$ 983	\$ 659	\$ 88	\$ 4,492
Other	319,588	-	83,987	-	403,575
Total revenue	322,350	983	84,646	88	408,067
Expenditures					
Debt service:					
Principal retirement	745,000	90,000	725,000	395,000	1,955,000
Interest and fiscal charges	114,163	72,745	453,900	420,189	1,060,997
Total expenditures	859,163	162,745	1,178,900	815,189	3,015,997
Revenue over (under) expenditures	(536,813)	(161,762)	(1,094,254)	(815,101)	(2,607,930)
Other financing sources (uses)					
Transfers in	529,496	162,745	1,095,024	815,190	2,602,455
Transfers out	(78,084)	-	-	-	(78,084)
Total other financing sources	451,412	162,745	1,095,024	815,190	2,524,371
Net change in fund balances	(85,401)	983	770	89	(83,559)
Fund balance, beginning of year	132,952	29,363	29	591	162,935
Fund balance, end of year	\$ 47,551	\$ 30,346	\$ 799	\$ 680	\$ 79,376

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Description of Funds

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Control – This fund is a control fund for appropriations for the purchase and/or construction and improvements of capital facilities of a major nature. This fund is also used to account for construction projects that do not require a separate fund.

INGHAM COUNTY, MICHIGAN
Balance Sheet
Nonmajor Capital Projects Fund
December 31, 2007

	<u>Capital Projects Control</u>
Assets	
Pooled cash and investments	\$ 46,680
	<u> </u>
Liabilities	
Accounts payable	\$ -
	<u> </u>
Fund balance	
Unreserved; undesignated	46,680
	<u> </u>
Total liabilities and fund balances	\$ 46,680
	<u> </u>

INGHAM COUNTY, MICHIGAN
Nonmajor Capital Projects Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 2007

	Capital Projects Control
	<hr/>
Revenue	\$ -
Expenditures	
Current:	
General government	<hr/> -
Net change in fund balances	-
Fund balances, beginning of year	<hr/> 46,680
Fund balances, end of year	<hr/> <hr/> \$ 46,680

NONMAJOR FUNDS

ENTERPRISE FUNDS

Description of Funds

NONMAJOR FUNDS

ENTERPRISE FUNDS

Housing Commission – This fund is used to account for the operation and maintenance of Carriage Lane Apartments, a subsidized housing complex. Funding is provided through apartment rental and a Federal subsidy.

Homestead Property Tax Administration – This fund is used to account for the County's portion of revenue collected from the interest imposed on homestead denials. Revenue is to be used solely for the administration of homestead property tax exemptions.

Restricted Tax Sale Proceeds – This fund is used to account for the administration of tax-delinquent property through the forfeiture, foreclosure and sale process.

Fair Board – This fund is used to account for the Ingham County Fair and the operation and maintenance of the fair grounds. Funding is provided by user charges and fair week related activities including State matching funds. The Fair also receives Hotel/Motel tax revenues which are used for repair, maintenance, and construction at the fair grounds.

Inmate Stores – This fund is used to account for the operations of a store for Ingham County Jail inmates. Funding is provided through sales of merchandise.

Alaiedon Water and Sewer – This fund is used to account for the financing of local water and sewer projects.

Tobias-Linn Water and Sewer (Williamston) – This fund is used to account for the financing of local water and sewer projects.

Water/Sewer No. 1 (City of Leslie) – This fund is used to account for the financing of local water and sewer projects.

Water Supply Project No. 2 (Lansing Charter Township) – This fund is used to account for the financing of local water projects.

Sanitary Sewer Project No. 2 - (Delhi Charter Township) – This fund is used to account for the financing of local sewer projects.

INGHAM COUNTY, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2007

	Housing Commission	Homestead Property Tax Administration	Restricted Tax Sale Proceeds	Fair Board	Inmate Stores
Assets					
Current assets:					
Pooled cash and investments	\$ 408,968	\$ 26,261	\$ 174,986	\$ 183,041	\$ 58,356
Accounts receivable, net	4,039	-	-	4,601	35,341
Accrued interest receivable	-	45	283	-	-
Due from other funds	67,806	-	-	1,019	-
Due from other governmental units	-	-	-	-	-
Current portion of leases receivable	-	-	-	-	-
Prepaid items	-	-	-	1,748	-
Total current assets	<u>480,813</u>	<u>26,306</u>	<u>175,269</u>	<u>190,409</u>	<u>93,697</u>
Noncurrent assets:					
Restricted assets:					
Pooled cash and investments	18,019	-	-	29,561	-
Subsidy receivable for debt service	41,497	-	-	-	-
Total restricted assets	<u>59,516</u>	<u>-</u>	<u>-</u>	<u>29,561</u>	<u>-</u>
Leases receivable, net	-	-	-	-	-
Capital assets not depreciated	327,078	-	-	5,080	-
Capital assets being depreciated, net	<u>1,904,594</u>	<u>-</u>	<u>-</u>	<u>1,199,153</u>	<u>10,209</u>
Total noncurrent assets	<u>2,291,188</u>	<u>-</u>	<u>-</u>	<u>1,233,794</u>	<u>10,209</u>
Total assets	<u>2,772,001</u>	<u>26,306</u>	<u>175,269</u>	<u>1,424,203</u>	<u>103,906</u>
Liabilities					
Current liabilities:					
Accounts payable	15,632	-	-	10,376	12,907
Salaries and related withholdings	41,174	-	-	16,485	-
Due to other funds	-	-	-	56,072	-
Accrued interest payable	-	-	-	-	-
Current portion of bonds payable	-	-	-	-	-
Compensated absences	4,137	-	-	-	723
Unearned revenue	373	-	-	14,984	-
Payable from restricted assets:					
Customer deposits payable	18,019	-	-	29,561	-
Accrued interest payable	<u>21,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>100,832</u>	<u>-</u>	<u>-</u>	<u>127,478</u>	<u>13,630</u>
Noncurrent liabilities:					
Bonds and notes payable	20,000	-	-	-	-
Compensated absences	27,864	-	-	-	-
Advances from other funds	-	-	-	55,735	-
Total noncurrent liabilities	<u>47,864</u>	<u>-</u>	<u>-</u>	<u>55,735</u>	<u>-</u>
Total liabilities	<u>148,696</u>	<u>-</u>	<u>-</u>	<u>183,213</u>	<u>13,630</u>
Net assets					
Invested in capital assets, net of related debt	2,231,672	-	-	1,204,233	10,209
Restricted for debt service	-	-	-	-	-
Unrestricted	<u>391,633</u>	<u>26,306</u>	<u>175,269</u>	<u>36,757</u>	<u>80,067</u>
Total net assets	<u>\$ 2,623,305</u>	<u>\$ 26,306</u>	<u>\$ 175,269</u>	<u>\$ 1,240,990</u>	<u>\$ 90,276</u>

Alaiedon Water & Sewer	Tobias-Linn Water & Sewer	Water/Sewer No.1	Water Supply No. 2	Sanitary Sewer No. 2	Totals
\$ 4,988	\$ 296	\$ 347	\$ 2,304	\$ -	\$ 859,547
-	-	-	-	-	43,981
-	-	-	-	-	328
-	-	-	-	-	68,825
16,223	10,147	2,805	3,524	-	32,699
105,000	40,000	45,000	30,000	-	220,000
-	-	-	-	-	1,748
<u>126,211</u>	<u>50,443</u>	<u>48,152</u>	<u>35,828</u>	<u>-</u>	<u>1,227,128</u>
-	-	-	-	-	47,580
-	-	-	-	-	41,497
-	-	-	-	-	89,077
1,365,000	1,245,000	200,000	240,000	-	3,050,000
-	-	-	-	-	332,158
-	-	-	-	-	3,113,956
<u>1,365,000</u>	<u>1,245,000</u>	<u>200,000</u>	<u>240,000</u>	<u>-</u>	<u>6,585,191</u>
<u>1,491,211</u>	<u>1,295,443</u>	<u>248,152</u>	<u>275,828</u>	<u>-</u>	<u>7,812,319</u>
-	-	-	-	-	38,915
-	-	-	-	-	57,659
-	-	-	-	-	56,072
16,223	10,150	2,819	3,128	-	32,320
105,000	40,000	45,000	30,000	-	220,000
-	-	-	-	-	4,860
-	-	-	-	-	15,357
-	-	-	-	-	47,580
-	-	-	-	-	21,497
<u>121,223</u>	<u>50,150</u>	<u>47,819</u>	<u>33,128</u>	<u>-</u>	<u>494,260</u>
1,365,000	1,245,000	200,000	240,000	-	3,070,000
-	-	-	-	-	27,864
-	-	-	-	-	55,735
<u>1,365,000</u>	<u>1,245,000</u>	<u>200,000</u>	<u>240,000</u>	<u>-</u>	<u>3,153,599</u>
<u>1,486,223</u>	<u>1,295,150</u>	<u>247,819</u>	<u>273,128</u>	<u>-</u>	<u>3,647,859</u>
-	-	-	-	-	3,446,114
4,988	293	333	2,700	-	8,314
-	-	-	-	-	710,032
<u>\$ 4,988</u>	<u>\$ 293</u>	<u>\$ 333</u>	<u>\$ 2,700</u>	<u>\$ -</u>	<u>\$ 4,164,460</u>

INGHAM COUNTY, MICHIGAN
Combining Statement of Revenue, Expenses,
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2007

	Housing Commission	Homestead Property Tax Administration	Restricted Tax Sale Proceeds	Fair Board	Inmate Stores
Operating revenue					
Charges for services	\$ 222,460	\$ -	\$ 174,256	\$ 670,936	\$ -
Sales	-	-	-	-	392,598
Interest on taxes	-	9,030	6,964	-	-
Other	650,983	-	-	79,950	-
Total operating revenue	873,443	9,030	181,220	750,886	392,598
Operating expenses					
Administrative	263,797	-	-	975,349	400,673
Depreciation	126,385	-	-	61,649	4,120
Other	607,782	120	155,149	-	-
Total operating expenses	997,964	120	155,149	1,036,998	404,793
Operating income (loss)	(124,521)	8,910	26,071	(286,112)	(12,195)
Non-operating revenue (expenses)					
Investment income	16,356	1,161	-	9,612	-
Interest and fiscal charges	-	-	-	-	-
Total non-operating revenue (expenses)	16,356	1,161	-	9,612	-
Income (loss) before transfers	(108,165)	10,071	26,071	(276,500)	(12,195)
Transfers in	-	-	60,000	137,655	-
Transfers out	-	-	-	(1,568)	-
Change in net assets	(108,165)	10,071	86,071	(140,413)	(12,195)
Total net assets, beginning of year, as restated	2,731,470	16,235	89,198	1,381,403	102,471
Total net assets, end of year	<u>\$ 2,623,305</u>	<u>\$ 26,306</u>	<u>\$ 175,269</u>	<u>\$ 1,240,990</u>	<u>\$ 90,276</u>

<u>Alaiedon Water & Sewer</u>	<u>Tobias-Linn Water & Sewer</u>	<u>Water/Sewer No.1</u>	<u>Water Supply No. 2</u>	<u>Sanitary Sewer No. 2</u>	<u>Totals</u>
\$ 71,465	\$ 63,280	\$ 14,593	\$ 16,930	\$ -	\$ 1,233,920
-	-	-	-	-	392,598
-	-	-	-	-	15,994
-	-	-	-	-	730,933
<u>71,465</u>	<u>63,280</u>	<u>14,593</u>	<u>16,930</u>	<u>-</u>	<u>2,373,445</u>
-	-	-	-	-	1,639,819
-	-	-	-	-	192,154
-	-	-	-	-	763,051
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,595,024</u>
<u>71,465</u>	<u>63,280</u>	<u>14,593</u>	<u>16,930</u>	<u>-</u>	<u>(221,579)</u>
38	-	129	-	555	27,851
<u>(71,465)</u>	<u>(63,385)</u>	<u>(15,019)</u>	<u>(17,004)</u>	<u>-</u>	<u>(166,873)</u>
<u>(71,427)</u>	<u>(63,385)</u>	<u>(14,890)</u>	<u>(17,004)</u>	<u>555</u>	<u>(139,022)</u>
38	(105)	(297)	(74)	555	(360,601)
-	-	-	-	-	197,655
-	-	-	-	(13,298)	(14,866)
38	(105)	(297)	(74)	(12,743)	(177,812)
<u>4,950</u>	<u>398</u>	<u>630</u>	<u>2,774</u>	<u>12,743</u>	<u>4,342,272</u>
<u>\$ 4,988</u>	<u>\$ 293</u>	<u>\$ 333</u>	<u>\$ 2,700</u>	<u>\$ -</u>	<u>\$ 4,164,460</u>

INGHAM COUNTY, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2007

	Housing Commission	Homestead Property Tax Administration	Restricted Tax Sale Proceeds	Fair Board	Inmate Stores
Cash flows from operating activities					
Receipts from customers and users	\$ 873,127	\$ 9,186	\$ 181,458	\$ 747,859	\$ 419,004
Payments to suppliers	(692,356)	(177)	(155,149)	(699,449)	(373,683)
Payments to employees	(262,595)	-	-	(345,353)	(40,717)
Net cash provided (used) by operating activities	<u>(81,824)</u>	<u>9,009</u>	<u>26,309</u>	<u>(296,943)</u>	<u>4,604</u>
Cash flow from noncapital financing activities					
Repayment of advances from other funds	-	-	-	(51,310)	-
Transfers in	-	-	60,000	137,655	-
Transfers out	-	-	-	(1,568)	-
Net cash provided by non capital financing activities	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>84,777</u>	<u>-</u>
Cash flow from capital and related financing activities					
Acquisition and construction of capital assets	(12,639)	-	-	(9,910)	(9,132)
Principal paid on long-term debt	-	-	-	-	-
Interest and fiscal charges paid on long-term debt	-	-	-	-	-
Payments received on long term capital leases	-	-	-	-	-
Net cash used by capital and related financing activities	<u>(12,639)</u>	<u>-</u>	<u>-</u>	<u>(9,910)</u>	<u>(9,132)</u>
Cash flow from investing activities					
Interest and dividends received	<u>16,356</u>	<u>1,151</u>	<u>-</u>	<u>11,064</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(78,107)	10,160	86,309	(211,012)	(4,528)
Pooled cash and investments, beginning of year	<u>505,094</u>	<u>16,101</u>	<u>88,677</u>	<u>423,614</u>	<u>62,884</u>
Pooled cash and investments, end of year	<u><u>\$ 426,987</u></u>	<u><u>\$ 26,261</u></u>	<u><u>\$ 174,986</u></u>	<u><u>\$ 212,602</u></u>	<u><u>\$ 58,356</u></u>
Reconciliation to statement of net assets					
Pooled cash and investments	\$ 408,968	\$ 26,261	\$ 174,986	\$ 183,041	\$ 58,356
Restricted pooled cash and investments	18,019	-	-	29,561	-
Pooled cash and investments, end of year	<u><u>\$ 426,987</u></u>	<u><u>\$ 26,261</u></u>	<u><u>\$ 174,986</u></u>	<u><u>\$ 212,602</u></u>	<u><u>\$ 58,356</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (124,521)	\$ 8,910	\$ 26,071	\$ (286,112)	\$ (12,195)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	126,385	-	-	61,649	4,120
Changes in assets and liabilities:					
Accounts receivable	(388)	156	238	1,894	26,406
Due from other funds	(16,079)	-	-	(775)	-
Due from other governmental units	-	-	-	-	-
Prepaid items	-	-	-	(1,448)	-
Accounts payable	(57,048)	(57)	-	(61,807)	(11,805)
Salaries and related withholdings	(12,873)	-	-	(11,798)	(1,922)
Compensated absences	4,423	-	-	-	-
Due to other funds	-	-	-	6,375	-
Customer deposits	(1,795)	-	-	(8,837)	-
Unearned revenue	72	-	-	3,916	-
Net cash provided (used) by operating activities	<u><u>\$ (81,824)</u></u>	<u><u>\$ 9,009</u></u>	<u><u>\$ 26,309</u></u>	<u><u>\$ (296,943)</u></u>	<u><u>\$ 4,604</u></u>

Alaiedon Water & Sewer	Tobias-Linn Water & Sewer	Water/Sewer No.1	Water Supply No. 2	Sanitary Sewer No. 2	Totals
\$ 74,615	\$ 63,989	\$ 16,144	\$ 18,343	\$ -	\$ 2,403,725
-	-	-	-	-	(1,920,814)
-	-	-	-	-	(648,665)
74,615	63,989	16,144	18,343	-	(165,754)
-	-	-	-	-	(51,310)
-	-	-	-	-	197,655
-	-	-	-	(13,298)	(14,866)
-	-	-	-	(13,298)	131,479
-	-	-	-	-	(31,681)
(105,000)	(35,000)	(40,000)	(30,000)	-	(210,000)
(74,614)	(64,091)	(16,556)	(18,609)	-	(173,870)
105,000	35,000	40,000	30,000	-	210,000
(74,614)	(64,091)	(16,556)	(18,609)	-	(205,551)
38	-	129	5	603	29,346
39	(102)	(283)	(261)	(12,695)	(210,480)
4,949	398	630	2,565	12,695	1,117,607
\$ 4,988	\$ 296	\$ 347	\$ 2,304	\$ -	\$ 907,127
\$ 4,988	\$ 296	\$ 347	\$ 2,304	\$ -	\$ 859,547
-	-	-	-	-	47,580
\$ 4,988	\$ 296	\$ 347	\$ 2,304	\$ -	\$ 907,127
\$ 71,465	\$ 63,280	\$ 14,593	\$ 16,930	\$ -	\$ (221,579)
-	-	-	-	-	192,154
-	-	-	-	-	28,306
-	-	-	-	-	(16,854)
3,150	709	1,551	1,413	-	6,823
-	-	-	-	-	(1,448)
-	-	-	-	-	(130,717)
-	-	-	-	-	(26,593)
-	-	-	-	-	4,423
-	-	-	-	-	6,375
-	-	-	-	-	(10,632)
-	-	-	-	-	3,988
\$ 74,615	\$ 63,989	\$ 16,144	\$ 18,343	\$ -	\$ (165,754)

INTERNAL SERVICE FUNDS

Description of Funds

INTERNAL SERVICE FUNDS

Building Authority Operating – This fund is used to record the rent collections and operating costs of several Building Authority facilities.

Data Processing – This fund is used to account for the operations of the Data Processing Department. Funding is provided through departmental user charges, contractual agreements.

Inter-Governmental Service – This fund is used to account for the operations of the County print shop, central stores, courier services and inmate pay telephones. Funding is provided through user service fees and sales.

Office Equipment Pool – This fund is used to account for the purchase of office equipment in most governmental fund types. Funding is provided from user charges.

Telephone – This fund is used to account for payment of telephone services throughout the County. Money for the operation of this fund is supplied by charges to the various funds involved.

Insurance – This fund is used to account for the liability insurance coverage to the County and other funds within this unit of government. Money for the operation of this fund is supplied by charges to the various funds involved in the self-insurance program.

Utilities Revolving – This fund is used to account for the budgeting and payment of various utility services throughout the County. Money for the operation of this fund is supplied by charges to the various funds involved.

Workers' Compensation – This fund is used to record worker's compensation expenses and premium coverage from catastrophic loss. Financing for this fund is provided by departmental user contributions.

Employee Benefits – This fund is used to account for various employee benefits which include health, dental, life, and disability insurance; future pension benefit obligations; and unemployment compensation claims. Funding for this fund is provided by revenues collected from user departments.

INGHAM COUNTY, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2007

	Building Authority Operations	Data Processing	Inter- Governmental Service	Office Equipment Pool
Assets				
Current assets:				
Pooled cash and investments	\$ 172,956	\$ 714,374	\$ 52,581	\$ 1,571,477
Cash on deposit with agents	-	-	-	-
Accounts receivable	198,593	17,730	25,385	2,760
Accrued interest receivable	-	-	-	-
Due from other funds	278,517	34,747	-	31,783
Due from other governments	513,369	-	-	-
Inventories	-	-	8,242	925
Prepaid items	63,293	-	-	-
Total current assets	<u>1,226,728</u>	<u>766,851</u>	<u>86,208</u>	<u>1,606,945</u>
Noncurrent assets:				
Pooled cash and investments - restricted	374,187	-	-	-
Long-term accounts receivable	331,513	-	-	-
Capital assets being depreciated, net	216,539	158,380	-	1,294,851
Total noncurrent assets	<u>922,239</u>	<u>158,380</u>	<u>-</u>	<u>1,294,851</u>
Total assets	<u>2,148,967</u>	<u>925,231</u>	<u>86,208</u>	<u>2,901,796</u>
Liabilities				
Current liabilities:				
Accounts payable	97,084	29,327	7,384	17,902
Salaries and related withholdings	13,809	36,901	3,120	-
Other accrued liabilities	-	-	-	-
Due to other funds	55,642	1,189	34	4,443
Capital leases payable, current	-	-	-	-
Compensated absences	32,927	78,471	6,320	-
Unearned revenue	-	-	-	-
Claims payable	-	-	-	-
Total current liabilities	<u>199,462</u>	<u>145,888</u>	<u>16,858</u>	<u>22,345</u>
Noncurrent liabilities:				
Advances from other funds	<u>331,513</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>530,975</u>	<u>145,888</u>	<u>16,858</u>	<u>22,345</u>
Net assets				
Invested in capital assets net of related debt	216,539	158,380	-	1,294,851
Restricted for capital improvements	374,187	26,050	24,922	40,291
Restricted for retiree health care benefits	-	-	-	-
Unrestricted (deficit)	<u>1,027,266</u>	<u>594,913</u>	<u>44,428</u>	<u>1,544,309</u>
Total net assets	<u>\$ 1,617,992</u>	<u>\$ 779,343</u>	<u>\$ 69,350</u>	<u>\$ 2,879,451</u>

<u>Telephone</u>	<u>Insurance</u>	<u>Utilities Revolving</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Totals</u>
\$ 161,721	\$ 97,071	\$ 18,196	\$ 901,109	\$ 1,645,584	\$ 5,335,069
-	689,727	-	40,000	100,863	830,590
12,453	5,358	-	-	9,281	271,560
-	-	-	1,730	3,448	5,178
16	137,112	23,486	5,401	121,292	632,354
-	-	-	-	-	513,369
121	-	-	-	-	9,288
-	-	-	-	-	63,293
<u>174,311</u>	<u>929,268</u>	<u>41,682</u>	<u>948,240</u>	<u>1,880,468</u>	<u>7,660,701</u>
-	-	-	-	-	374,187
-	-	-	-	-	331,513
<u>280,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,949,941</u>
<u>280,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,655,641</u>
<u>454,482</u>	<u>929,268</u>	<u>41,682</u>	<u>948,240</u>	<u>1,880,468</u>	<u>10,316,342</u>
10,436	509,268	23,486	218,017	212,315	1,125,219
551	-	-	-	7,654	62,035
-	-	-	-	16,929	16,929
-	27,177	-	40,765	168	129,418
91,110	-	-	-	-	91,110
2,595	-	-	-	7,502	127,815
-	-	-	-	7,684	7,684
-	423,957	-	1,151,843	-	1,575,800
<u>104,692</u>	<u>960,402</u>	<u>23,486</u>	<u>1,410,625</u>	<u>252,252</u>	<u>3,136,010</u>
-	-	-	-	-	331,513
<u>104,692</u>	<u>960,402</u>	<u>23,486</u>	<u>1,410,625</u>	<u>252,252</u>	<u>3,467,523</u>
189,061	-	-	-	-	1,858,831
-	-	-	-	-	465,450
-	-	-	-	759,021	759,021
<u>160,729</u>	<u>(31,134)</u>	<u>18,196</u>	<u>(462,385)</u>	<u>869,195</u>	<u>3,765,517</u>
<u>\$ 349,790</u>	<u>\$ (31,134)</u>	<u>\$ 18,196</u>	<u>\$ (462,385)</u>	<u>\$ 1,628,216</u>	<u>\$ 6,848,819</u>

INGHAM COUNTY, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2007

	<u>Building Authority Operations</u>	<u>Data Processing</u>	<u>Inter- Governmental Service</u>	<u>Office Equipment Pool</u>
Operating revenue				
Charges for services	\$ -	\$ 1,979,700	\$ 267,015	\$ 543,157
Other	3,754,235	5,000	383,519	1,580
	<u>3,754,235</u>	<u>1,984,700</u>	<u>650,534</u>	<u>544,737</u>
Total operating revenue	<u>3,754,235</u>	<u>1,984,700</u>	<u>650,534</u>	<u>544,737</u>
Operating expenses				
Administrative	3,176,147	1,958,720	247,015	586,451
Fees and insurance	-	-	-	-
Retirement contributions	-	-	-	-
Current and contingent claims	-	-	-	-
Depreciation	40,069	54,026	7,528	347,960
Other operating expenses	-	-	-	-
	<u>3,216,216</u>	<u>2,012,746</u>	<u>254,543</u>	<u>934,411</u>
Total operating expenses	<u>3,216,216</u>	<u>2,012,746</u>	<u>254,543</u>	<u>934,411</u>
Operating income (loss)	<u>538,019</u>	<u>(28,046)</u>	<u>395,991</u>	<u>(389,674)</u>
Non-operating revenue (expense)				
Interest revenue	17,253	-	-	-
Interest expense	-	-	-	-
Loss on disposal of capital assets	-	-	-	(21,274)
	<u>17,253</u>	<u>-</u>	<u>-</u>	<u>(21,274)</u>
Total nonoperating revenue (expenses)	<u>17,253</u>	<u>-</u>	<u>-</u>	<u>(21,274)</u>
Income (loss) before transfers	555,272	(28,046)	395,991	(410,948)
Transfers in	125,406	-	-	299,865
Transfers out	<u>(499,561)</u>	<u>-</u>	<u>(379,619)</u>	<u>-</u>
Change in net assets	181,117	(28,046)	16,372	(111,083)
Total net assets, beginning	<u>1,436,875</u>	<u>807,389</u>	<u>52,978</u>	<u>2,990,534</u>
Total net assets (deficit), ending	<u>\$ 1,617,992</u>	<u>\$ 779,343</u>	<u>\$ 69,350</u>	<u>\$ 2,879,451</u>

<u>Telephone</u>	<u>Insurance</u>	<u>Utilities Revolving</u>	<u>Workers' Compensation</u>	<u>Employee Benefits</u>	<u>Totals</u>
\$ 535,594 1,920	\$ 538,362 -	\$ 394,178 -	\$ 307,654 -	\$ 18,463,556 -	\$ 23,029,216 4,146,254
<u>537,514</u>	<u>538,362</u>	<u>394,178</u>	<u>307,654</u>	<u>18,463,556</u>	<u>27,175,470</u>
-	-	-	65,161	469,151	6,502,645
-	747,698	-	53,992	7,540,083	8,341,773
-	-	-	-	5,863,992	5,863,992
-	77,232	-	909,722	3,589,347	4,576,301
81,313	-	-	-	-	530,896
<u>350,073</u>	<u>28,577</u>	<u>394,174</u>	<u>-</u>	<u>9,556</u>	<u>782,380</u>
<u>431,386</u>	<u>853,507</u>	<u>394,174</u>	<u>1,028,875</u>	<u>17,472,129</u>	<u>26,597,987</u>
<u>106,128</u>	<u>(315,145)</u>	<u>4</u>	<u>(721,221)</u>	<u>991,427</u>	<u>577,483</u>
-	23,924	-	42,547	85,368	169,092
(7,300)	-	-	-	-	(7,300)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,274)</u>
<u>(7,300)</u>	<u>23,924</u>	<u>-</u>	<u>42,547</u>	<u>85,368</u>	<u>140,518</u>
98,828	(291,221)	4	(678,674)	1,076,795	718,001
-	-	-	55,575	9,000	489,846
<u>(36,422)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(928)</u>	<u>(916,530)</u>
62,406	(291,221)	4	(623,099)	1,084,867	291,317
<u>287,384</u>	<u>260,087</u>	<u>18,192</u>	<u>160,714</u>	<u>543,349</u>	<u>6,557,502</u>
<u>\$ 349,790</u>	<u>\$ (31,134)</u>	<u>\$ 18,196</u>	<u>\$ (462,385)</u>	<u>\$ 1,628,216</u>	<u>\$ 6,848,819</u>

INGHAM COUNTY, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2007

	Building Authority Operations	Data Processing	Inter- Governmental Service	Office Equipment Pool
Cash flows from operating activities				
Receipts from customers and users	\$ 945,643	\$ -	\$ 392,302	\$ -
Receipts from interfund services	2,507,502	2,231,891	295,947	568,530
Payments to suppliers and claimants	(2,979,051)	(399,800)	(65,577)	(581,238)
Payments to employees	(702,556)	(1,544,063)	(193,972)	-
Other receipts	-	5,000	-	1,357
Net cash provided (used) by operating activities	<u>(228,462)</u>	<u>293,028</u>	<u>428,700</u>	<u>(11,351)</u>
Cash flow from noncapital financing activities				
Transfers in	125,406	-	-	299,865
Transfers out	(499,561)	-	(379,619)	-
Net cash provided (used) by noncapital financing activities	<u>(374,155)</u>	<u>-</u>	<u>(379,619)</u>	<u>299,865</u>
Cash flow from capital and related financing activities				
Acquisition and construction of capital assets	-	(25,968)	-	(229,316)
Principal paid on long-term debt	-	-	-	-
Interest paid on long-term debt	-	-	-	-
Net cash used by capital and related financing activities	<u>-</u>	<u>(25,968)</u>	<u>-</u>	<u>(229,316)</u>
Cash flow from investing activities				
Interest and dividends received	17,253	-	-	-
Net increase in cash and cash equivalents	(585,364)	267,060	49,081	59,198
Pooled cash and investments, beginning of year	1,132,507	447,314	3,500	1,512,279
Pooled cash and investments, end of year	<u><u>\$ 547,143</u></u>	<u><u>\$ 714,374</u></u>	<u><u>\$ 52,581</u></u>	<u><u>\$ 1,571,477</u></u>
Reconciliation to statement of net assets				
Pooled cash and investments	\$ 172,956	\$ 714,374	\$ 52,581	\$ 1,571,477
Cash on deposit with agents	-	-	-	-
Pooled cash and investments - restricted	374,187	-	-	-
Pooled cash and investments, end of year	<u><u>\$ 547,143</u></u>	<u><u>\$ 714,374</u></u>	<u><u>\$ 52,581</u></u>	<u><u>\$ 1,571,477</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 538,019	\$ (28,046)	\$ 395,991	\$ (389,674)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	40,069	54,026	7,528	347,960
Changes in assets and liabilities:				
Accounts receivable	(223,626)	(10,288)	8,783	(223)
Due from other funds	(58,244)	262,479	28,932	25,373
Inventories	-	-	2,294	-
Prepaid items	(63,293)	-	-	-
Accounts payable	12,682	15,640	2,958	1,080
Salaries and related withholdings	(16,876)	3,861	328	-
Other accrued liabilities	-	(5,687)	(4,148)	-
Due to other funds	(437,973)	1,043	(13,966)	4,133
Deferred revenue	(19,220)	-	-	-
Claims payable	-	-	-	-
Net cash provided (used) by operating activities	<u><u>\$ (228,462)</u></u>	<u><u>\$ 293,028</u></u>	<u><u>\$ 428,700</u></u>	<u><u>\$ (11,351)</u></u>

Telephone	Insurance	Utilities Revolving	Workers' Compensation	Employee Benefit Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,337,945
632,603	395,892	414,331	295,472	18,483,400	25,825,568
(314,129)	(573,603)	(398,837)	(498,024)	(18,023,548)	(23,833,807)
(30,846)	-	-	-	(476,590)	(2,948,027)
1,920	-	-	-	-	8,277
289,548	(177,711)	15,494	(202,552)	(16,738)	389,956
-	-	-	55,575	9,000	489,846
(36,422)	-	-	-	(928)	(916,530)
(36,422)	-	-	55,575	8,072	(426,684)
-	-	-	-	-	(255,284)
(119,463)	-	-	-	-	(119,463)
(7,300)	-	-	-	-	(7,300)
(126,763)	-	-	-	-	(382,047)
-	24,333	-	46,763	91,112	179,461
126,363	(153,378)	15,494	(100,214)	82,446	(239,314)
35,358	940,176	2,702	1,041,323	1,664,001	6,779,160
\$ 161,721	\$ 786,798	\$ 18,196	\$ 941,109	\$ 1,746,447	\$ 6,539,846
\$ 161,721	\$ 97,071	\$ 18,196	\$ 901,109	\$ 1,645,584	\$ 5,335,069
-	689,727	-	40,000	100,863	830,590
-	-	-	-	-	374,187
\$ 161,721	\$ 786,798	\$ 18,196	\$ 941,109	\$ 1,746,447	\$ 6,539,846
\$ 106,128	\$ (315,145)	\$ 4	\$ (721,221)	\$ 991,427	\$ 577,483
81,313	-	-	-	-	530,896
7,732	(5,358)	-	-	4,520	(218,460)
89,277	(137,112)	20,153	(792)	75	230,141
(71)	-	-	-	-	2,223
-	-	-	-	-	(63,293)
5,088	506,199	(4,663)	197,890	(1,020,518)	(283,644)
81	-	-	-	1,177	(11,429)
-	-	-	-	(6,862)	(16,697)
-	(7,593)	-	(11,390)	(1,806)	(467,552)
-	-	-	-	15,249	(3,971)
-	(218,702)	-	332,961	-	114,259
\$ 289,548	\$ (177,711)	\$ 15,494	\$ (202,552)	\$ (16,738)	\$ 389,956

FIDUCIARY FUNDS

Description of Funds

FIDUCIARY FUNDS

Agency Funds

Library Penal Fines – This fund is used to account for money that is received from the courts for fines imposed as a result of State law violations.

Agency – This fund is used to account for assets held by Ingham County acting as an agent for individuals, private organizations and other governmental units.

Payroll – This fund is used to account for the payroll paid to County employees. The payroll is paid from this fund after reimbursement from the benefited funds where the cost of payroll is expensed. The payroll deductions accumulate in this fund until paid to the creditors of the County.

INGHAM COUNTY, MICHIGAN
Combining Statement of Fiduciary Assets and Liabilities -- Agency Funds
December 31, 2007

	<u>Library Penal Fines</u>	<u>Agency</u>	<u>Payroll</u>	<u>Totals</u>
Assets				
Pooled cash and investments	\$ 421,086	\$ 3,305,820	\$ 568,872	\$ 4,295,778
Accounts receivable	38,174	58,928	739	97,841
Accrued interest receivable	<u>1,035</u>	<u>-</u>	<u>-</u>	<u>1,035</u>
Total assets	<u><u>\$ 460,295</u></u>	<u><u>\$ 3,364,748</u></u>	<u><u>\$ 569,611</u></u>	<u><u>\$ 4,394,654</u></u>
Liabilities				
Undistributed receipts	\$ 460,295	\$ 3,364,748	\$ -	\$ 3,825,043
Due to other governmental units	<u>-</u>	<u>-</u>	<u>569,611</u>	<u>569,611</u>
Total liabilities	<u><u>\$ 460,295</u></u>	<u><u>\$ 3,364,748</u></u>	<u><u>\$ 569,611</u></u>	<u><u>\$ 4,394,654</u></u>

INGHAM COUNTY, MICHIGAN
Combining Statement of Changes
in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2007

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Library Penal Fines</u>				
Assets				
Pooled cash and investments	\$ 432,739	\$ 1,182,400	\$ 1,194,053	\$ 421,086
Accounts receivable	34,105	89,702	85,633	38,174
Accrued interest receivable	2,425	1,035	2,425	1,035
	<u>2,425</u>	<u>1,035</u>	<u>2,425</u>	<u>1,035</u>
Total assets	<u>\$ 469,269</u>	<u>\$ 1,273,137</u>	<u>\$ 1,282,111</u>	<u>\$ 460,295</u>
Liabilities				
Undistributed receipts	<u>\$ 469,269</u>	<u>\$ 904,151</u>	<u>\$ 913,125</u>	<u>\$ 460,295</u>
 <u>Agency</u>				
Assets				
Pooled cash and investments	\$ 6,201,330	\$ 287,764,673	\$ 290,660,183	\$ 3,305,820
Accounts receivable	50,616	295,367	287,055	58,928
	<u>50,616</u>	<u>295,367</u>	<u>287,055</u>	<u>58,928</u>
Total assets	<u>\$ 6,251,946</u>	<u>\$ 288,060,040</u>	<u>\$ 290,947,238</u>	<u>\$ 3,364,748</u>
Liabilities				
Undistributed receipts	\$ 2,532,999	\$ 203,919,862	\$ 203,088,113	\$ 3,364,748
Due to other governmental units	3,718,947	135,479,839	139,198,786	-
	<u>3,718,947</u>	<u>135,479,839</u>	<u>139,198,786</u>	<u>-</u>
Total liabilities	<u>\$ 6,251,946</u>	<u>\$ 339,399,701</u>	<u>\$ 342,286,899</u>	<u>\$ 3,364,748</u>

Continued...

INGHAM COUNTY, MICHIGAN
Combining Statement of Changes
in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2007

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Payroll</u>				
Assets				
Pooled cash and investments	\$ 776,267	\$ 32,715,226	\$ 32,922,621	\$ 568,872
Accounts receivable	7,782	1,844	8,887	739
	<u>784,049</u>	<u>32,717,070</u>	<u>32,931,508</u>	<u>569,611</u>
Total assets	<u>\$ 784,049</u>	<u>\$ 32,717,070</u>	<u>\$ 32,931,508</u>	<u>\$ 569,611</u>
Liabilities				
Due to other governmental units	<u>\$ 784,049</u>	<u>\$ 56,640,097</u>	<u>\$ 56,854,535</u>	<u>\$ 569,611</u>
 <u>Total - Agency Funds</u>				
Assets				
Pooled cash and investments	\$ 7,410,336	\$ 321,662,299	\$ 324,776,857	\$ 4,295,778
Accounts receivable	92,503	386,913	381,575	97,841
Accrued interest receivable	2,425	1,035	2,425	1,035
	<u>7,505,264</u>	<u>322,050,247</u>	<u>325,160,857</u>	<u>4,394,654</u>
Total assets	<u>\$ 7,505,264</u>	<u>\$ 322,050,247</u>	<u>\$ 325,160,857</u>	<u>\$ 4,394,654</u>
Liabilities				
Undistributed receipts	\$ 3,002,268	\$ 204,824,013	\$ 204,001,238	\$ 3,825,043
Due to other governmental units	4,502,996	192,119,936	196,053,321	569,611
	<u>7,505,264</u>	<u>396,943,949</u>	<u>400,054,559</u>	<u>4,394,654</u>
Total liabilities	<u>\$ 7,505,264</u>	<u>\$ 396,943,949</u>	<u>\$ 400,054,559</u>	<u>\$ 4,394,654</u>

DRAIN COMMISSION COMPONENT UNIT

Description of Funds

DRAIN COMMISSION COMPONENT UNIT

Debt Service Funds

Regular Drain – This fund is used to account for monies accumulated for payment of principal and interest on long-term notes of the Regular Drain Construction Fund. Monies for the operation of this fund are derived from special assessments against benefiting property owners and at large assessments against local government units.

Diehl Consolidated Drain – This fund is used to account for the retirement of bonds issued. Monies accounted for in this fund are provided by special assessments against political subdivisions, the Michigan Department of Transportation, Ingham County, and interest on invested funds.

Stoner Clement Branch Drain – This fund is used to account for the retirement of bonds issued. Monies accounted for in this fund are provided by special assessments against political subdivisions, the Michigan Department of Transportation, Ingham County, and interest on invested funds.

Cook and Thorburn Drain – This fund is used to account for the retirement of bonds issued. Monies accounted for in this fund are provided by special assessments against political subdivisions, the Michigan Department of Transportation, Ingham County, and interest on invested funds.

Tollgate Drain – This fund is used to account for the retirement of bonds related to the Tollgate drain construction project. Monies accounted for in this fund are provided by special assessments against Ingham County, the City of Lansing and interest on invested funds.

Groesbeck Drain – This fund is used to account for the retirement of bonds issued. Monies accounted for in this fund are provided by special assessments against political subdivisions, the Michigan Department of Transportation, Ingham County, and interest on invested funds.

Webberville Drain #2 – This fund is used to account for the retirement of bonds issued. Monies accounted for in this fund are provided by special assessments against political subdivisions, the Michigan Department of Transportation, Ingham County, and interest on invested funds.

Williamston Drain – This fund is used to account for the retirement of bonds issued. Monies accounted for in this fund are provided by special assessments against political subdivisions, the Michigan Department of Transportation, Ingham County, and interest on invested funds.

DRAIN COMMISSION COMPONENT UNIT (concluded)

Capital Projects Funds

Regular Drain – This fund is used to record construction, maintenance expenditures, and storm repair for all drains which are not accounted for in other drain capital projects funds.

Revolving Drain – This fund is used to account for monies advanced for engineering, surveys, and other preliminary costs of new drains. Monies for the operation of this fund are supplied by an advance from the County General Fund and reimbursements from drain funds as special assessments are collected. This fund is reported as a capital project fund in accordance with guidelines issued by the State of Michigan Department of Treasury.

Drain Revolving Maintenance – This fund is used to account for maintenance service work on established drains. Monies for the operation of this fund are supplied by interest earned on investments and reimbursement from drain funds as special assessments are collected.

GIS Study – This fund is used to account for the development of a Geographic Information System (GIS) for the development of a comprehensive plan to manage the utilization and conservation of water and related land resources.

Diehl Consolidated Drain – This fund is used to account for the construction and maintenance of the Diehl Consolidated Drain. Monies accounted for in this fund are provided by proceeds from the sale of bonds and interest on invested funds.

Stoner Clement Branch Drain – This fund is used to account for the construction and maintenance of the Stoner Clement Branch Drain. Monies accounted for in this fund are provided by proceeds from the sale of bonds and interest on invested funds.

Cook and Thorburn Drain – This fund is used to account for the construction and maintenance of the Cook and Thorburn Drain. Monies accounted for in this fund are provided by proceeds from the sale of bonds and interest on invested funds.

Lake Lansing Maintenance – This fund is used to account for the construction/restoration and maintenance costs of the Lake Lansing Improvement Project. Monies accounted for in this fund are provided by proceeds from the sale of bonds, special assessments and interest on invested funds.

Internal Service Fund

Drain Equipment Revolving Fund – This fund is used to account for the purchase and maintenance of equipment used on various drains.

INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Statement of Net Assets and
Governmental Funds Balance Sheet
December 31, 2007

	Governmental Fund Types		Internal Service			
	Debt Service	Capital Projects	Drain Equipment	Total	Adjustments	Statement of Net Assets
Assets						
Pooled cash and investments	\$ 2,598,657	\$ 5,212,567	\$ 30,260	\$ 7,841,484	\$ -	\$ 7,841,484
Special assessments receivable	23,868,380	1,587,363	-	25,455,743	-	25,455,743
Accounts receivable	-	-	5,533	5,533	-	5,533
Accrued interest receivable	172	12,696	-	12,868	-	12,868
Due from other funds	178,154	655,395	405,950	1,239,499	(1,239,499)	-
Due from other governmental units	954,427	35,987	-	990,414	-	990,414
Inventories	-	-	20,508	20,508	-	20,508
Unamortized bond issuance costs	-	-	-	-	218,311	218,311
Capital assets not being depreciated	-	-	-	-	14,174,661	14,174,661
Capital assets being depreciated, net	-	-	125,145	125,145	27,340,303	27,465,448
Total assets	\$ 27,599,790	\$ 7,504,008	\$ 587,396	\$ 35,691,194	40,493,776	76,184,970
Liabilities						
Accounts payable	\$ -	\$ 1,502,710	\$ 96,685	\$ 1,599,395	-	1,599,395
Salaries and related withholdings	-	-	16,407	16,407	-	16,407
Due to other funds	183,332	1,056,167	-	1,239,499	(1,239,499)	-
Advances from primary government	-	508,250	-	508,250	-	508,250
Due to other governmental units	1,059,429	-	-	1,059,429	-	1,059,429
Accrued interest payable	-	-	-	-	187,711	187,711
Deferred / unearned revenue	23,967,235	1,663,742	122,154	25,753,131	(25,627,219)	125,912
Short-term notes payable	-	4,626,025	-	4,626,025	-	4,626,025
Long-term liabilities:						
Due within one year	-	-	15,800	15,800	1,725,745	1,741,545
Due in more than one year	-	-	26,630	26,630	22,586,789	22,613,419
Total liabilities	25,209,996	9,356,894	277,676	34,844,566	(2,366,473)	32,478,093
Fund balances (deficit)						
Reserved for debt service	2,389,794	-	-	2,389,794	(2,389,794)	
Unreserved (deficit)	-	(1,852,886)	309,720	(1,543,166)	1,543,166	
Total fund balances (deficit)	2,389,794	(1,852,886)	309,720	846,628	(846,628)	
Total liabilities and fund balance	\$ 27,599,790	\$ 7,504,008	\$ 587,396	\$ 35,691,194		
Net assets						
Invested in capital assets, net of related debt					12,701,550	12,701,550
Restricted for debt service					2,389,794	2,389,794
Unrestricted					28,615,533	28,615,533
Total net assets					\$ 43,706,877	\$ 43,706,877

INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
December 31, 2007

Fund balances - governmental funds	\$ 846,628
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - capital assets	53,356,297
Deduct - accumulated depreciation	(11,841,333)
Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.	
Add - long-term special assessments receivable included in deferred assets	25,627,219
Add - unamortized bond issuance costs	218,311
Long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Deduct - bonds payable	(24,312,534)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Deduct - accrued interest on bonds payable	(187,711)
Net assets of governmental activities	<u><u>\$ 43,706,877</u></u>

INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Statement of Activities and Governmental Funds
Revenue, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007

	Governmental Fund Types		Internal Service			
	Debt Service	Capital Projects	Drain Equipment	Total	Adjustments	Statement of Activities
Revenue						
Special assessments	\$ 2,895,379	\$ 1,124,781	\$ -	\$ 4,020,160	\$ (1,291,008)	\$ 2,729,152
Charges for services	-	-	975,136	975,136	-	975,136
Interest	111,531	314,700	-	426,231	-	426,231
Other	-	15,291	337,547	352,838	-	352,838
Total revenue	3,006,910	1,454,772	1,312,683	5,774,365	(1,291,008)	4,483,357
Expenditures / expenses						
Administrative and other operating expenses	-	1,470,943	1,291,608	2,762,551	-	2,762,551
Depreciation expense	-	-	33,186	33,186	1,026,661	1,059,847
Capital outlay	-	4,272,245	-	4,272,245	(4,272,245)	-
Debt service:						
Principal retirement	1,631,746	-	-	1,631,746	(1,631,746)	-
Interest and fiscal charges	1,049,893	130,726	-	1,180,619	(14,177)	1,166,442
Total expenditures / expenses	2,681,639	5,873,914	1,324,794	9,880,347	(4,891,507)	4,988,840
Revenue over (under) expenditures / expenses	325,271	(4,419,142)	(12,111)	(4,105,982)	3,600,499	(505,483)
Other financing sources (uses)						
Transfers in	-	311,974	-	311,974	(311,974)	-
Transfers (out)	(56,170)	(255,804)	-	(311,974)	311,974	-
Total other sources (uses)	(56,170)	56,170	-	-	-	-
Net change in fund balances / net assets	269,101	(4,362,972)	(12,111)	(4,105,982)	3,600,499	(505,483)
Fund balance/net assets, beginning of year	2,120,693	2,510,086	321,831	4,952,610	39,259,750	44,212,360
Fund balances (deficit)/net assets, end of year	\$ 2,389,794	\$ (1,852,886)	\$ 309,720	\$ 846,628	\$ 42,860,249	\$ 43,706,877

INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Reconciliation of Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2007

Net change in fund balances - governmental funds	\$ (4,105,982)
---	----------------

Amounts reported for *governmental activities* in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Add - capital outlay	4,272,245
Deduct - depreciation expense	(1,026,661)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Deduct - decrease in deferred long-term special assessments receivable	(1,291,008)
--	-------------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Add - principal payments on long-term bonds and other debt	1,631,746
--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Add - decrease in accrual for accrued interest payable and premium amortization	14,177
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Change in net assets of governmental activities	<u><u>\$ (505,483)</u></u>
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INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Statement of Cash Flows
Proprietary Fund Type - Drain Equipment Fund
For the Year Ended December 31, 2007

Cash flows from operating activities	
Receipts from customers and users	\$ 1,243,465
Payments to suppliers	(506,209)
Payments to employees	<u>(768,855)</u>
Net decrease in cash and cash equivalents	(31,599)
Cash and cash equivalents, beginning of year	<u>61,859</u>
Cash and cash equivalents, end of year	<u><u>\$ 30,260</u></u>
 Reconciliation of operating loss to net cash provided (used) by operating activities	
Operating loss	\$ (12,111)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	33,186
Changes in assets and liabilities:	
Accounts receivable	153
Due from other funds	(124,860)
Due from primary government	(1,533)
Inventories	(290)
Accounts payable	70,466
Salaries and amounts withheld therefrom	2,906
Due to other funds	(7,833)
Deferred revenue	24,127
Compensated absences	<u>(15,810)</u>
Net cash used by operating activities	<u><u>\$ (31,599)</u></u>
 Noncash investing, capital, and financing activities	 None

INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Debt Service Funds
Combining Balance Sheet
December 31, 2007

	<u>Regular Drain</u>	<u>Diehl Consolidated</u>	<u>Stoner Clement Branch</u>	<u>Cook and Thorburn</u>	<u>Tollgate Drain</u>
Assets					
Pooled cash and investments	\$ 995,246	\$ 415,402	\$ 174,257	\$ 146,843	\$ 82,297
Special assessments receivable	14,769,041	1,880,393	554,194	587,323	2,526,003
Accrued interest receivable	152	-	-	-	13
Due from other funds	95,931	367	-	-	-
Due from other governmental units	954,427	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 16,814,797</u>	<u>\$ 2,296,162</u>	<u>\$ 728,451</u>	<u>\$ 734,166</u>	<u>\$ 2,608,313</u>
 Liabilities					
Due to other funds	\$ 138,477	\$ 19,531	\$ 21,884	\$ 2,929	\$ -
Due to other governmental units	1,059,429	-	-	-	-
Deferred revenue	14,862,749	1,883,327	554,201	589,450	2,526,003
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	16,060,655	1,902,858	576,085	592,379	2,526,003
 Fund balances					
Reserved for debt service	<u>754,142</u>	<u>393,304</u>	<u>152,366</u>	<u>141,787</u>	<u>82,310</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 16,814,797</u>	<u>\$ 2,296,162</u>	<u>\$ 728,451</u>	<u>\$ 734,166</u>	<u>\$ 2,608,313</u>

Groesbeck Drain	Webberville Drain #2	Williamston Drain	Total
\$ 347,818	\$ 81,464	\$ 355,330	\$ 2,598,657
1,812,534	199,950	1,538,942	23,868,380
-	7	-	172
54,764	-	27,092	178,154
-	-	-	954,427
<u>\$ 2,215,116</u>	<u>\$ 281,421</u>	<u>\$ 1,921,364</u>	<u>\$ 27,599,790</u>

\$ -	\$ -	\$ 511	\$ 183,332
-	-	-	1,059,429
<u>1,812,574</u>	<u>199,951</u>	<u>1,538,980</u>	<u>23,967,235</u>
1,812,574	199,951	1,539,491	25,209,996
<u>402,542</u>	<u>81,470</u>	<u>381,873</u>	<u>2,389,794</u>
<u>\$ 2,215,116</u>	<u>\$ 281,421</u>	<u>\$ 1,921,364</u>	<u>\$ 27,599,790</u>

INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Debt Service Funds
Combining Statement of Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2007

	<u>Regular Drain</u>	<u>Diehl Consolidated</u>	<u>Stoner Clement Branch</u>	<u>Cook and Thorburn</u>	<u>Tollgate Drain</u>
Revenue					
Special assessments	\$ 1,747,344	\$ 209,881	\$ 62,945	\$ 66,551	\$ 320,803
Interest	38,331	18,794	7,366	6,737	2,689
	<u>1,785,675</u>	<u>228,675</u>	<u>70,311</u>	<u>73,288</u>	<u>323,492</u>
Expenditures					
Debt service:					
Principal retirement	946,746	125,000	35,000	40,000	200,000
Interest and fiscal charges	618,676	74,506	25,445	25,835	125,928
	<u>1,565,422</u>	<u>199,506</u>	<u>60,445</u>	<u>65,835</u>	<u>325,928</u>
Revenue over (under) expenditures	220,253	29,169	9,866	7,453	(2,436)
Other financing uses					
Transfers out	-	-	-	-	(56,170)
Net change in fund balances	220,253	29,169	9,866	7,453	(58,606)
Fund balance, beginning of year	533,889	364,135	142,500	134,334	140,916
Fund balance, end of year	<u>\$ 754,142</u>	<u>\$ 393,304</u>	<u>\$ 152,366</u>	<u>\$ 141,787</u>	<u>\$ 82,310</u>

Groesbeck Drain	Webberville Drain #2	Williamston Drain	Total
\$ 270,067	\$ 42,456	\$ 175,332	\$ 2,895,379
16,529	2,875	18,210	111,531
<u>286,596</u>	<u>45,331</u>	<u>193,542</u>	<u>3,006,910</u>
150,000	30,000	105,000	1,631,746
91,825	12,275	75,403	1,049,893
<u>241,825</u>	<u>42,275</u>	<u>180,403</u>	<u>2,681,639</u>
44,771	3,056	13,139	325,271
-	-	-	(56,170)
44,771	3,056	13,139	269,101
<u>357,771</u>	<u>78,414</u>	<u>368,734</u>	<u>2,120,693</u>
<u>\$ 402,542</u>	<u>\$ 81,470</u>	<u>\$ 381,873</u>	<u>\$ 2,389,794</u>

INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Capital Projects Funds
Combining Balance Sheet
December 31, 2007

	<u>Regular Drain</u>	<u>Revolving Drain</u>	<u>Drain Revolving Maintenance</u>	<u>GIS Study</u>
Assets				
Pooled cash and investments	\$ 4,762,955	\$ 292,500	\$ 135,148	\$ 143
Special assessments receivable	1,542,363	-	-	45,000
Accrued interest receivable	12,223	-	276	-
Due from other funds	635,395	-	20,000	-
Due from other governmental units	35,987	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,988,923</u>	<u>\$ 292,500</u>	<u>\$ 155,424</u>	<u>\$ 45,143</u>
Liabilities				
Accounts payable	\$ 1,502,115	\$ -	\$ -	\$ -
Due to other funds	1,036,950	-	-	-
Advances from primary government	-	292,500	-	215,750
Deferred revenue	1,618,742	-	-	45,000
Short-term notes payable	4,626,025	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	8,783,832	292,500	-	260,750
Fund balances (deficit)				
Unreserved, undesignated	<u>(1,794,909)</u>	<u>-</u>	<u>155,424</u>	<u>(215,607)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 6,988,923</u>	<u>\$ 292,500</u>	<u>\$ 155,424</u>	<u>\$ 45,143</u>

<u>Diehl Consolidated</u>	<u>Stoner Clement Branch</u>	<u>Cook and Thorburn</u>	<u>Lake Lansing Maintenance</u>	<u>Totals</u>
\$ 19,620	\$ -	\$ -	\$ 2,201	\$ 5,212,567
-	-	-	-	1,587,363
192	-	-	5	12,696
-	-	-	-	655,395
-	-	-	-	35,987
<u>\$ 19,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,206</u>	<u>\$ 7,504,008</u>
\$ 595	\$ -	\$ -	\$ -	\$ 1,502,710
19,217	-	-	-	1,056,167
-	-	-	-	508,250
-	-	-	-	1,663,742
-	-	-	-	4,626,025
19,812	-	-	-	9,356,894
-	-	-	2,206	(1,852,886)
<u>\$ 19,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,206</u>	<u>\$ 7,504,008</u>

INGHAM COUNTY, MICHIGAN
Drain Commission Component Unit
Capital Projects Funds
Combining Statement of Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2007

	<u>Regular Drain</u>	<u>Revolving Drain</u>	<u>Drain Revolving Maintenance</u>	<u>GIS Study</u>
Revenue				
Special assessments	\$ 993,371	\$ -	\$ -	\$ 131,410
Interest	300,633	-	6,812	41
Other	15,291	-	-	-
	<u>1,309,295</u>	<u>-</u>	<u>6,812</u>	<u>131,451</u>
Total revenue				
	<u>1,309,295</u>	<u>-</u>	<u>6,812</u>	<u>131,451</u>
Expenditures				
Operating expenses	1,470,746	-	-	197
Capital outlay	4,270,698	-	-	-
Debt service - interest and fiscal charges	130,726	-	-	-
	<u>5,872,170</u>	<u>-</u>	<u>-</u>	<u>197</u>
Total expenditures				
	<u>5,872,170</u>	<u>-</u>	<u>-</u>	<u>197</u>
Revenue over (under) expenditures	<u>(4,562,875)</u>	<u>-</u>	<u>6,812</u>	<u>131,254</u>
Other financing sources				
Transfers in	311,974	-	-	-
Transfers out	-	-	-	-
Total other sources (uses)	<u>311,974</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(4,250,901)</u>	<u>-</u>	<u>6,812</u>	<u>131,254</u>
Fund balance (deficit), beginning of year	<u>2,455,992</u>	<u>-</u>	<u>148,612</u>	<u>(346,861)</u>
Fund balance (deficit), end of year	<u><u>\$ (1,794,909)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 155,424</u></u>	<u><u>\$ (215,607)</u></u>

<u>Diehl Consolidated</u>	<u>Stoner Clement Branch</u>	<u>Cook and Thorburn</u>	<u>Lake Lansing Maintenance</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,124,781
4,778	348	1,977	111	314,700
-	-	-	-	15,291
<u>4,778</u>	<u>348</u>	<u>1,977</u>	<u>111</u>	<u>1,454,772</u>
-	-	-	-	1,470,943
1,035	-	512	-	4,272,245
-	-	-	-	130,726
<u>1,035</u>	<u>-</u>	<u>512</u>	<u>-</u>	<u>5,873,914</u>
<u>3,743</u>	<u>348</u>	<u>1,465</u>	<u>111</u>	<u>(4,419,142)</u>
-	-	-	-	311,974
(119,130)	(13,630)	(123,044)	-	(255,804)
<u>(119,130)</u>	<u>(13,630)</u>	<u>(123,044)</u>	<u>-</u>	<u>56,170</u>
(115,387)	(13,282)	(121,579)	111	(4,362,972)
<u>115,387</u>	<u>13,282</u>	<u>121,579</u>	<u>2,095</u>	<u>2,510,086</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,206</u>	<u>\$ (1,852,886)</u>

BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT

Description of Funds

BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT

Brownfield Redevelopment Authority – This fund is used to account for the general activities and operations of the Brownfield Redevelopment Authority.

Land Bank – This fund is used to account for the proceeds of debt issued by the Authority for the purpose of providing financing for the Ingham County Land Bank Fast Track Authority to acquire, rehabilitate and return to productive use various qualifying brownfield properties. Debt principal and interest will be repaid through property tax captures on the applicable properties.

INGHAM COUNTY, MICHIGAN
Brownfield Redevelopment Authority
Statement of Net Assets and
Governmental Funds Balance Sheet
December 31, 2007

	<u>Governmental Fund Types</u>				
	<u>Brownfield Redevelopment Authority</u>	<u>Brownfield Project - Land Bank</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Assets					
Pooled cash and investments	\$ 2,922	\$ 1,961,069	\$ 1,963,991	\$ -	\$ 1,963,991
Accrued interest receivable	9	294	303	-	303
Unamortized bond issuance costs	-	-	-	67,452	67,452
	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,452</u>	<u>67,452</u>
Total assets	<u>\$ 2,931</u>	<u>\$ 1,961,363</u>	<u>\$ 1,964,294</u>	<u>\$ 67,452</u>	<u>\$ 2,031,746</u>
Liabilities					
Accounts payable	\$ -	\$ 154,557	\$ 154,557	\$ -	\$ 154,557
Long-term liabilities:					
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	1,965,464	1,965,464
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,965,464</u>	<u>1,965,464</u>
Total liabilities	-	154,557	154,557	1,965,464	2,120,021
Fund balances / net assets (deficit)					
Unreserved, undesignated	<u>2,931</u>	<u>1,806,806</u>	<u>1,809,737</u>	<u>(1,898,012)</u>	<u>(88,275)</u>
Total liabilities and fund balances / nets assets (deficit)	<u>\$ 2,931</u>	<u>\$ 1,961,363</u>	<u>\$ 1,964,294</u>	<u>\$ 67,452</u>	<u>\$ 2,031,746</u>

INGHAM COUNTY, MICHIGAN
Brownfield Redevelopment Authority
Statement of Activities and Governmental Funds
Revenue, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2007

	Governmental Fund Types				
	Brownfield Redevelopment Authority	Brownfield Project - Land Bank	Totals	Adjustments	Statement of Activities
Revenue					
Taxes	\$ 759	\$ -	\$ 759	\$ -	\$ 759
Interest	225	6,778	7,003	-	7,003
Total revenue	984	6,778	7,762	-	7,762
Expenditures					
General government	-	97,984	97,984	-	97,984
Debt service - bond issuance costs	-	67,452	67,452	(67,452)	-
Total expenditures	-	165,436	165,436	(67,452)	97,984
Revenue over (under) expenditures	984	(158,658)	(157,674)	67,452	(90,222)
Other financing sources (uses)					
Issuance of bonds	-	1,985,000	1,985,000	(1,985,000)	-
Discounts on bond issuance	-	(19,536)	(19,536)	19,536	-
Total other sources (uses)	-	1,965,464	1,965,464	(1,965,464)	-
Net change in fund balances	984	1,806,806	1,807,790	(1,898,012)	(90,222)
Fund balances / net assets (deficit):					
Beginning of year	1,947	-	1,947	-	1,947
End of year	<u>\$ 2,931</u>	<u>\$ 1,806,806</u>	<u>\$ 1,809,737</u>	<u>\$ (1,898,012)</u>	<u>\$ (88,275)</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of Ingham County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health

Contents	Page
Financial Trends (tables 1 through 4)	131
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity (tables 5 through 8)	138
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity (tables 9 through 12)	142
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information (tables 13 and 14)	146
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information (tables 15 thru 17)	148
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1
Unaudited

INGHAM COUNTY, MICHIGAN
Net Assets by Component
Last Six Years (A)
(accrual basis of accounting)

	2002	2003	2004	2005	2006	2007
Governmental activities						
Invested in capital assets, net of related debt	\$ 26,204,175	\$ 23,837,642	\$ 26,340,217	\$ 25,138,520	\$ 24,201,263	\$ 22,895,764
Restricted	1,384,836	2,386,621	1,883,063	534,675	1,474,890	1,224,471
Unrestricted	41,315,117	42,588,864	51,076,988	59,877,898	71,789,860	72,361,747
Total governmental activities net assets	68,904,128	68,813,127	79,300,268	85,551,093	97,466,013	96,481,982
Business-type activities						
Invested in capital assets, net of related debt	9,177,088	8,724,962	8,356,847	11,088,316	10,766,967	10,334,281
Restricted	6,780,319	7,707,260	8,588,272	6,841,735	7,662,222	9,027,285
Unrestricted	5,116,920	5,602,823	6,737,679	6,950,030	9,364,664	8,437,444
Total business-type activities net assets	21,074,327	22,035,045	23,682,798	24,880,081	27,793,853	27,799,010
Primary government						
Invested in capital assets, net of related debt	35,381,263	32,562,604	34,697,064	36,226,836	34,968,230	33,230,045
Restricted	8,165,155	10,093,881	10,471,335	7,376,410	9,137,112	10,251,756
Unrestricted	46,432,037	48,191,687	57,814,667	66,827,928	81,154,524	80,799,191
Total primary government net assets	\$ 89,978,455	\$ 90,848,172	\$ 102,983,066	\$ 110,431,174	\$ 125,259,866	\$ 124,280,992

Source: Ingham County Basic Financial Statements.

(A) - The County implemented GASB Statement No. 34 beginning with 2002; accordingly, date prior to 2002 is not available.

Table 2
Unaudited

INGHAM COUNTY, MICHIGAN
Changes in Net Assets
Last Six Years (A)
(accrual basis of accounting)

	2002	2003	2004	2005	2006	2007
Expenses						
Governmental activities:						
General government	\$ 14,794,318	\$ 19,992,310	\$ 22,459,229	\$ 22,667,675	\$ 22,193,079	\$ 21,890,574
Public safety	26,289,887	28,557,837	31,662,100	37,125,711	34,702,692	34,085,067
Judicial	12,156,312	11,610,610	12,242,955	12,371,724	13,541,035	14,781,873
Public works	5,774,148	2,768,290	2,739,401	2,845,372	2,925,389	3,833,701
Health	29,883,268	32,910,886	31,652,086	33,489,946	35,419,642	40,992,708
Welfare	13,354,059	11,443,963	13,472,066	15,796,063	15,597,913	18,829,335
Education	80,290	80,221	71,805	73,614	63,344	61,300
Economic development	238,522	320,648	526,534	581,923	160,504	446,815
Culture and recreation	4,128,889	4,687,303	4,865,445	5,200,269	5,384,014	7,129,690
Interest on long-term debt	2,088,263	1,501,310	1,431,216	1,273,846	1,161,496	1,026,837
Total governmental activities expenses	108,787,956	113,873,378	121,122,837	131,426,143	131,149,108	143,077,900
Business-type activities:						
Medical care facility	32,617,985	28,792,235	20,349,234	14,867,800	16,040,413	18,770,496
Delinquent tax collection	282,227	235,072	221,668	603,901	811,468	1,171,491
Sanitary sewer debt refunding	-	313,504	280,469	245,678	211,236	359,371
Housing	1,219,957	1,182,257	1,133,038	1,159,618	1,114,631	997,964
Inmate stores	348,448	347,885	357,910	381,483	380,267	404,793
County fair	1,201,471	1,598,089	1,284,912	1,386,505	1,800,854	1,036,998
Total business-type activities expenses	35,670,088	32,469,042	23,627,231	18,644,985	20,358,869	22,741,113
Total primary government expenses	144,458,044	146,342,420	144,750,068	150,071,128	151,507,977	165,819,013
Program revenues						
Governmental activities:						
Charges for services:						
General government	2,031,656	6,576,608	5,861,998	5,331,151	5,020,114	2,614,858
Public safety	4,816,700	6,890,500	7,361,382	8,026,837	7,497,436	6,394,525
Judicial	3,147,764	3,231,113	3,888,326	3,721,781	4,900,812	3,803,417
Public works	-	-	-	-	-	-
Health	7,674,847	12,257,184	9,280,882	9,667,186	10,392,827	14,632,514
Welfare	349,520	236,664	298,939	270,846	271,589	223,486
Education	-	29,055	32,230	30,855	30,225	-
Economic development	-	-	-	-	-	-
Culture and recreation	2,111,380	246,531	425,396	382,644	363,610	606,278
Operating grants and contributions	30,012,792	26,660,744	29,908,797	34,615,598	32,719,512	35,542,867
Capital grants and contributions	2,102,208	-	-	258,231	-	-
Total governmental activities program revenues	52,246,867	56,128,399	57,057,950	62,305,129	61,196,125	63,817,945
Business-type activities:						
Charges for services:						
Medical care facility	12,204,895	12,401,544	13,177,367	13,508,388	15,868,966	17,631,188
Delinquent tax collection	2,385,622	2,299,822	1,959,138	2,927,138	2,984,996	3,401,153
Sanitary sewer debt refunding	-	292,660	280,469	245,278	210,836	358,766
Housing	1,186,386	988,902	1,711,225	971,695	210,693	222,460
Inmate stores	430,772	395,209	421,413	450,867	397,878	392,598
County fair	984,647	1,412,028	1,275,930	1,297,822	1,567,194	670,936
Operating grants and contributions	21,217,098	16,885,295	8,079,156	1,996,224	3,187,721	2,982,356
Total business-type activities program revenues	38,409,420	34,675,460	26,904,698	21,397,412	24,428,284	25,659,457
Total primary governmental program revenues	90,656,287	90,803,859	83,962,648	83,702,541	85,624,409	89,477,402

Table 2
Unaudited

INGHAM COUNTY, MICHIGAN
Changes in Net Assets (Concluded)
Last Six Years (A)
(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net (expenses) revenue						
Governmental activities	\$ (56,541,089)	\$ (57,744,979)	\$ (64,064,887)	\$ (69,121,014)	\$ (69,952,983)	\$ (79,259,955)
Business-type activities	<u>2,739,332</u>	<u>2,206,418</u>	<u>3,277,467</u>	<u>2,752,427</u>	<u>4,069,415</u>	<u>2,918,344</u>
Total primary government net (expense) revenue	<u>(53,801,757)</u>	<u>(55,538,561)</u>	<u>(60,787,420)</u>	<u>(66,368,587)</u>	<u>(65,883,568)</u>	<u>(76,341,611)</u>
General revenues						
Governmental activities:						
Property taxes	\$ 41,842,285	\$ 49,357,398	\$ 65,738,371	\$ 68,863,678	\$ 73,640,058	\$ 67,738,831
Taxes restricted for tourism programs	1,910,164	1,891,110	1,933,839	1,913,837	1,987,122	2,052,379
Grants and contributions for general use	5,357,755	4,633,173	2,242,325	6,403	6,188	-
Investment earnings	2,539,200	1,762,342	2,429,851	2,449,860	3,307,361	4,975,023
Other	1,855,675	-	6,685	62,239	26,808	-
Transfers	<u>2,169,946</u>	<u>1,641,468</u>	<u>2,200,958</u>	<u>1,565,334</u>	<u>2,900,366</u>	<u>2,013,034</u>
Total governmental activities general revenues	<u>55,675,025</u>	<u>59,285,491</u>	<u>74,552,029</u>	<u>74,861,351</u>	<u>81,867,903</u>	<u>76,779,267</u>
Business-type activities:						
Investment earnings	355,898	201,995	336,766	392,795	673,409	213,748
Other	-	-	4,879	-	14,471	-
Transfers	<u>(2,163,355)</u>	<u>(1,959,103)</u>	<u>(1,901,359)</u>	<u>(1,947,939)</u>	<u>(1,843,523)</u>	<u>(1,888,913)</u>
Total business-type activities general revenues	<u>(1,807,457)</u>	<u>(1,757,108)</u>	<u>(1,559,714)</u>	<u>(1,555,144)</u>	<u>(1,155,643)</u>	<u>(1,675,165)</u>
Total primary government general revenues	<u>53,867,568</u>	<u>57,528,383</u>	<u>72,992,315</u>	<u>73,306,207</u>	<u>80,712,260</u>	<u>75,104,102</u>
Change in net assets						
Governmental activities	(866,064)	1,540,512	10,487,142	5,740,337	11,914,920	(2,480,688)
Business-type activities	<u>931,875</u>	<u>449,310</u>	<u>1,717,753</u>	<u>1,197,283</u>	<u>2,913,772</u>	<u>1,243,179</u>
Total primary government	<u>\$ 65,811</u>	<u>\$ 1,989,822</u>	<u>\$ 12,204,895</u>	<u>\$ 6,937,620</u>	<u>\$ 14,828,692</u>	<u>\$ (1,237,509)</u>

Source: Ingham County Basic Financial Statements.

A - The County implemented GASB Statement No. 34 beginning with 2002; accordingly, date prior to 2002 is not available.

INGHAM COUNTY, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
General Fund				
Reserved	\$ 10,343,983	\$ 10,137,764	\$ 6,043,836	\$ 2,339,685
Unreserved	<u>8,196,245</u>	<u>8,514,367</u>	<u>10,444,663</u>	<u>7,456,582</u>
Total general fund	<u><u>\$ 18,540,228</u></u>	<u><u>\$ 18,652,131</u></u>	<u><u>\$ 16,488,499</u></u>	<u><u>\$ 9,796,267</u></u>
All other governmental funds				
Reserved	\$ 163,677	\$ 293,946	\$ 213,387	\$ 243,603
Unreserved, reported in:				
Special revenue funds	16,428,070	17,917,417	19,209,531	19,535,564
Debt service funds	-	-	-	-
Capital projects funds	<u>8,187,991</u>	<u>2,161,203</u>	<u>1,425,066</u>	<u>1,650,939</u>
Total all other governmental funds	<u><u>\$ 24,779,738</u></u>	<u><u>\$ 20,372,566</u></u>	<u><u>\$ 20,847,984</u></u>	<u><u>\$ 21,430,106</u></u>

Source: Ingham County Comprehensive Annual Financial Report.

Table 3
Unaudited

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 2,199,695	\$ 2,067,772	\$ 2,393,192	\$ 3,888,923	\$ 3,669,303	\$ 3,197,011
<u>8,176,959</u>	<u>8,536,005</u>	<u>9,787,278</u>	<u>10,395,320</u>	<u>13,252,259</u>	<u>15,095,378</u>
<u>\$ 10,376,654</u>	<u>\$ 10,603,777</u>	<u>\$ 12,180,470</u>	<u>\$ 14,284,243</u>	<u>\$ 16,921,562</u>	<u>\$ 18,292,389</u>
\$ 410,949	\$ 727,318	\$ 1,058,009	\$ 77,507	\$ 252,851	\$ 1,046,318
19,784,278	23,112,798	35,763,155	42,633,814	54,446,585	53,930,771
-	-	-	189,771	-	79,376
<u>2,064,463</u>	<u>1,818,681</u>	<u>51,926</u>	<u>47,680</u>	<u>46,680</u>	<u>46,680</u>
<u>\$ 22,259,690</u>	<u>\$ 25,658,797</u>	<u>\$ 36,873,090</u>	<u>\$ 42,948,772</u>	<u>\$ 54,746,116</u>	<u>\$ 55,103,145</u>

INGHAM COUNTY, MICHIGAN
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	1998	1999	2000	2001	2002
Revenues					
Taxes	\$ 38,036,187	\$ 39,876,642	\$ 41,737,234	\$ 42,727,476	\$ 45,662,613
Licenses and permits	207,507	210,574	227,152	254,054	257,247
Intergovernmental	26,657,144	29,080,723	30,704,851	32,508,591	34,576,011
Charges for services	9,406,817	11,150,765	13,861,229	14,775,824	17,479,435
Fines and forfeits	394,405	303,762	366,033	342,689	422,270
Interest and rents	2,770,486	2,843,165	3,487,903	2,674,593	1,943,554
Other revenue	4,622,965	6,158,429	5,542,651	6,414,518	5,119,482
Total revenues	82,095,511	89,624,060	95,927,053	99,697,745	105,460,612
Expenditures					
Public safety	19,948,585	20,781,540	22,503,232	24,696,404	26,105,783
Public works	1,695,414	2,360,816	2,413,874	2,501,948	2,417,321
Judicial	9,629,076	10,116,640	10,721,251	12,451,001	12,188,197
Culture and recreation	3,326,715	3,563,638	3,575,349	3,815,151	4,100,625
General government	11,816,029	11,803,149	14,018,046	12,326,925	12,708,745
Health	19,291,136	22,148,615	24,375,321	27,629,925	31,118,640
Welfare	10,571,545	11,403,277	12,270,377	13,718,492	13,324,208
Education	127,092	1,318,247	723,373	140,798	80,290
Economic development	223,077	564,394	1,931,369	386,038	238,522
Capital outlay	7,280,717	9,105,339	4,645,843	5,219,805	12,995,335
Debt service:					
Principal	2,590,000	3,180,000	3,210,000	3,447,939	3,708,100
Interest and fiscal charges	2,024,091	1,920,130	1,946,952	1,769,091	1,958,257
Intergovernmental	-	-	1,792,743	4,253,313	-
Total expenditures	88,523,477	98,265,785	104,127,730	112,356,830	120,944,023
Excess of revenues over (under) expenditures	(6,427,966)	(8,641,725)	(8,200,677)	(12,659,085)	(15,483,411)
Other Financing Sources (Uses)					
Proceeds from borrowing	22,003,657	-	-	1,955,256	11,895,000
Bond premium	-	-	-	-	-
Payment to refund bond escrow agent	(11,860,652)	-	-	-	-
Transfers in	19,782,717	19,908,392	21,436,728	21,765,025	20,913,670
Transfers out	(16,890,413)	(15,560,916)	(16,717,008)	(17,387,484)	(16,333,952)
Total other financing sources (uses)	13,035,309	4,347,476	4,719,720	6,332,797	16,474,718
Net change in fund balances	\$ 6,607,343	\$ (4,294,249)	\$ (3,480,957)	\$ (6,326,288)	\$ 991,307
Debt service as a percentage of noncapital expenditures	5.7%	5.7%	5.2%	4.9%	5.2%

Source: Ingham County Comprehensive Annual Financial Report.

Table 4
Unaudited

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 51,248,508	\$ 67,672,210	\$ 70,329,827	\$ 76,330,485	\$ 65,915,742
279,683	281,608	326,632	334,769	391,108
31,293,917	32,151,122	34,880,232	32,725,700	30,660,936
22,354,922	20,543,194	18,810,934	18,173,054	27,261,572
379,083	482,258	560,047	719,076	622,398
1,250,269	1,980,759	2,051,938	2,935,845	4,805,931
4,943,492	4,670,364	7,037,357	8,710,227	5,834,298
<u>111,749,874</u>	<u>127,781,515</u>	<u>133,996,967</u>	<u>139,929,156</u>	<u>135,491,985</u>
27,437,183	29,995,061	35,388,965	33,001,228	31,388,104
2,809,368	2,759,841	2,866,526	2,947,252	3,833,701
11,552,478	12,023,753	12,132,110	13,285,392	14,159,545
4,581,135	4,597,721	4,766,452	4,989,621	6,592,393
17,878,884	19,899,064	19,467,957	19,370,948	20,160,953
32,454,490	30,742,517	32,401,618	34,420,402	38,760,830
11,428,712	13,332,997	15,641,643	15,479,395	17,466,288
80,221	71,805	73,614	63,344	61,961
320,648	526,534	581,923	160,504	445,500
2,260,990	2,811,246	1,108,892	2,009,106	1,563,705
2,815,000	3,120,838	1,885,618	2,140,648	2,105,870
1,511,173	1,438,621	1,353,587	1,067,575	1,107,044
-	-	-	-	-
<u>115,130,282</u>	<u>121,319,998</u>	<u>127,668,905</u>	<u>128,935,415</u>	<u>137,645,894</u>
<u>(3,380,408)</u>	<u>6,461,517</u>	<u>6,328,062</u>	<u>10,993,741</u>	<u>(2,153,909)</u>
2,325,000	1,619,784	11,505,000	-	-
-	-	487,735	-	-
-	-	(11,995,490)	-	-
26,002,047	27,239,791	29,816,413	31,395,018	35,580,840
<u>(21,197,437)</u>	<u>(22,530,106)</u>	<u>(27,466,744)</u>	<u>(27,954,096)</u>	<u>(33,141,122)</u>
<u>7,129,610</u>	<u>6,329,469</u>	<u>2,346,914</u>	<u>3,440,922</u>	<u>2,439,718</u>
<u>\$ 3,749,202</u>	<u>\$ 12,790,986</u>	<u>\$ 8,674,976</u>	<u>\$ 14,434,663</u>	<u>\$ 285,809</u>
3.8%	3.8%	2.6%	2.5%	2.4%

Table 5
Unaudited

INGHAM COUNTY, MICHIGAN
Assessed and Taxable Value of Property
For the Years 1998 through 2007

Year	Assessed Value - Real Property					Assessed Value - Personal Property	Total Assessed Value	Total Taxable Value	(A) Total Direct Tax Rate
	Agriculture	Commercial	Industrial	Residential	Development				
2007	\$ 442,380,992	\$ 2,228,506,272	\$ 140,565,730	\$ 6,379,595,902	\$ 6,234,750	\$ 516,760,736	\$ 9,714,044,382	\$ 7,857,288,668	\$ 9.41
2006	432,732,190	2,170,273,754	158,895,960	6,129,989,842	7,837,350	539,299,438	9,439,028,534	7,522,177,686	9.43
2005	414,897,920	2,120,950,705	168,466,240	5,760,126,495	8,011,350	563,080,329	9,035,533,039	7,200,855,066	8.65
2004	404,972,248	1,998,244,275	168,792,430	5,354,028,810	11,782,100	586,287,074	8,524,106,937	6,847,863,456	8.57
2003	359,293,990	1,905,811,777	165,634,430	4,936,259,030	10,455,100	574,650,627	7,952,104,954	6,489,197,117	8.60
2002	315,840,922	1,773,997,520	153,252,687	4,519,165,149	5,453,100	582,182,602	7,349,891,980	6,200,659,989	8.21
2001	272,504,023	1,632,819,280	146,966,780	4,137,157,009	8,138,620	551,847,833	6,749,433,545	5,826,421,784	7.77
2000	219,659,063	1,426,260,228	138,489,692	3,837,722,999	7,161,758	531,841,384	6,161,135,124	5,443,778,475	7.77
1999	166,858,335	1,294,944,776	142,603,157	3,574,286,987	3,598,899	576,513,649	5,758,805,803	5,256,356,261	7.78
1998	144,604,408	1,184,184,722	152,338,315	3,311,772,800	4,474,803	549,844,065	5,347,219,113	5,026,461,615	7.79

Source: Ingham County Equalization reports.

(A) - Tax rates are per \$1,000 of taxable value.

Table 6
Unaudited

INGHAM COUNTY, MICHIGAN
Direct and Overlapping Property Tax Rates
Last Ten Years
(Rates per \$1,000 of taxable value)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
County Direct Rates										
Operating	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35	\$ 6.35
Transportation System	0.40	0.40	0.40	0.40	0.40	0.40	0.39	0.39	0.48	0.48
Emergency Telephone System	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.84	0.84	0.84
Airport Authority	0.19	0.17	0.16	0.17	0.11	0.50	0.47	0.47	0.71	0.68
Juvenile Justice	-	-	-	-	0.60	0.60	0.60	0.59	0.59	0.60
Potter Park Zoo	-	-	-	-	-	-	-	-	0.46	0.46
Total direct rates	<u>\$ 7.79</u>	<u>\$ 7.78</u>	<u>\$ 7.77</u>	<u>\$ 7.77</u>	<u>\$ 8.21</u>	<u>\$ 8.60</u>	<u>\$ 8.57</u>	<u>\$ 8.65</u>	<u>\$ 9.43</u>	<u>\$ 9.41</u>
Overlapping Rates										
Townships:										
Lowest	\$ -	\$ -	\$ -	\$ -	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.78	\$ 0.78	\$ 0.78
Highest	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.37	8.42	8.42
Cities:										
Lowest	13.91	13.75	13.75	13.25	13.25	13.25	13.25	13.25	13.25	13.25
Highest	19.08	19.16	20.03	19.66	19.55	19.32	19.28	19.28	19.28	19.28
Villages:										
Lowest	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Highest	13.70	13.70	13.36	13.36	13.36	13.20	13.20	13.20	13.20	13.20
Local school districts: (A)										
Lowest	0.50	0.49	0.47	0.43	0.40	0.38	0.30	0.12	-	-
Highest	10.50	9.55	10.48	12.10	11.44	11.22	10.84	12.09	12.09	12.09
Intermediate school districts:										
Lowest	2.62	2.57	2.52	2.48	2.45	2.41	2.38	2.35	2.34	2.34
Highest	12.38	12.32	8.56	8.49	7.42	8.22	8.17	11.98	8.11	8.11
Lansing Community College	5.87	5.84	2.91	3.89	3.87	3.85	3.84	3.81	3.81	3.81
Capital Area District Library	1.00	0.99	1.28	1.27	1.26	1.46	1.45	1.44	1.56	1.56
Fowlerville Library	0.49	0.48	0.45	0.44	0.43	0.43	0.42	0.41	0.40	0.40
Authorities:										
Capital Area Transportation	1.38	1.37	1.37	1.39	2.20	2.19	2.18	2.17	2.18	2.18
City of East Lansing DDA	-	-	-	-	-	-	1.82	1.82	1.82	1.82
Northeast Ingham Emergency Services	1.00	0.99	0.98	0.97	0.96	1.23	1.20	1.19	1.93	1.93
Stockbridge Area Emergency Services	-	-	-	-	-	-	-	-	1.10	1.10

Source: Ingham County Equalization Department Apportionment Report.

(A) - Local school district rates indicate homestead millages; for non-homesteads add 18.0000 mills.

Table 7
Unaudited

INGHAM COUNTY, MICHIGAN
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2007			1998		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
General Motors Corporation	\$ 95,972,668	1	1.22%	\$ 167,201,200	1	3.33%
Consumers Energy	75,311,001	2	0.96%	71,790,771	2	1.43%
Jackson National Life	33,130,261	3	0.42%	12,559,600	7	0.25%
Inland Western Lansing Eastwood LLC	32,806,600	4	0.42%	-		-
Eyde LTD Family Partnership	28,106,659	5	0.36%	30,497,100	3	0.61%
Meridian Mall LTD Partnership	27,196,870	6	0.35%	-		-
Dart Container Corporation	27,038,388	7	0.34%	19,233,100	4	0.38%
Meijer/Good Will Co., Inc.	26,685,597	8	0.34%	17,618,829	5	0.35%
Wal-Mart Stores, Inc.	21,174,197	9	0.27%	-		-
Capitol Outlook LLC	18,764,936	10	0.24%	-		-
Victor IV Partnership	-		-	13,321,000	6	0.27%
Frandonson Properties	-		-	12,362,600	8	0.25%
AAC Funding Partnership	-		-	11,493,600	9	0.23%
Michigan Packaging	-		-	6,582,400	10	0.13%
Total taxable value of ten largest taxpayers	386,187,177		4.92%	362,660,200		7.22%
Total taxable value of other taxpayers	7,471,101,491		95.08%	4,663,801,415		92.78%
Total taxable value of all taxpayers	<u>\$ 7,857,288,668</u>		<u>100.00%</u>	<u>\$ 5,026,461,615</u>		<u>100.00%</u>

Source: Ingham County Equalization Department

Note - Taxable values presented above do not include properties subject to industrial facility taxes (IFT).

Table 8
Unaudited

INGHAM COUNTY, MICHIGAN
Property Tax Levies and Collections - General Operating
Last Ten Years

Taxes Levied		Total Tax Levy	Collected in Year of Levy	
			Amount	Percentage
7/1/2007	2007	\$ 46,912,047	\$ 42,982,567	91.62%
12/1/2006	2007	23,173,477	21,408,859	92.39%
7/1/2006	2006	30,705,450	28,945,808	94.27%
12/1/2005	2006	29,797,462	27,958,595	93.83%
7/1/2005	2005	14,480,309	13,759,454	95.02%
12/1/2004	2005	41,417,891	40,417,663	97.59%
12/1/2003	2004	39,330,637	38,332,652	97.46%
12/1/2002	2003	37,615,929	36,537,285	97.13%
12/1/2001	2002	35,977,360	35,002,373	97.29%
12/1/2000	2001	33,581,598	32,544,934	96.91%
12/1/1999	2000	32,626,075	31,879,054	97.71%
12/1/1998	1999	31,189,396	30,229,141	96.92%

Source: Ingham County Treasurer

Notes:

This table includes ad valorem taxes only; it excludes commercial and industrial facilities taxes as provided under Public Acts 198 and 255.

Prior to 2005, the County's general property taxes were levied annually on December 1 (the lien date) to fund operations of the following year. The property taxes were due in full by March 1, at which time uncollected taxes became delinquent.

In 2004, the State enacted legislation to provide a funding mechanism to replace state revenue sharing payments to counties. As a result, the County's levy date began a phased shifting (or acceleration) over a three-year period from December 1 to July 1 of each year. In 2005, one-third of the levy took place on July 1 and two-thirds on December 1. In 2006, two-thirds of the levy took place on July 1 and one-third on December 1. In 2007 and each year thereafter, the entire tax levy for general operating takes place on July 1. The Act also required that an amount equal to one-third of the December 2004 tax levy be placed each year for three years into a newly created special revenue fund from which an annual transfers is then made.

Table 9
Unaudited

INGHAM COUNTY, MICHIGAN
Ratios of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities			Business-type Activities		Total Primary Government	% of Personal Income	Net Debt Per Capita
	General Obligation Bonds	Notes and Loans	Capital Leases	General Obligation Bonds	Notes and Loans			
2007	\$ 22,520,000	\$ 1,337,893	\$ 96,499	\$ 6,675,000	\$ 8,200,000	\$ 38,829,392	0.45%	\$ 139.03
2006	24,475,000	1,497,372	220,936	7,465,000	6,720,000	40,378,308	0.47%	144.21
2005	26,470,000	1,644,920	340,988	8,220,000	6,020,000	42,695,908	0.50%	151.94
2004	28,270,000	1,802,454	456,818	9,425,000	11,520,000	51,474,272	0.63%	183.79
2003	31,385,000	228,139	571,587	10,580,000	4,920,000	47,684,726	0.59%	169.08
2002	31,875,000	269,217	165,339	11,700,000	5,670,000	49,679,556	0.64%	176.48
2001	24,070,000	125,074	32,724	11,285,000	5,112,000	40,624,798	0.53%	144.80
2000	26,505,000	151,047	110,664	10,240,000	20,000	37,026,711	0.50%	132.56
1999	28,830,000	177,021	210,650	11,125,000	20,000	40,362,671	0.56%	141.56
1998	31,115,000	119,314	-	12,020,000	20,000	43,274,314	0.63%	151.38

Source: Ingham County Comprehensive Annual Financial Report.

Table 10
Unaudited

INGHAM COUNTY, MICHIGAN
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Year	General Obligation Bonds	Less: Funds Amounts in Debt Service Funds	Less: Self-supported Portion of Debt	Net General Bonded Debt	% of Taxable Value	Per Capita
2007	\$ 29,195,000	\$ 79,376	\$ 6,675,000	\$ 22,440,624	0.29%	\$ 80.35
2006	31,940,000	162,935	7,465,000	24,312,065	0.32%	86.83
2005	34,690,000	189,771	8,220,000	26,280,229	0.36%	93.52
2004	37,695,000	56,569	9,425,000	28,213,431	0.41%	100.74
2003	41,965,000	56,190	10,580,000	31,328,810	0.48%	111.08
2002	43,575,000	106,601	11,700,000	31,768,399	0.51%	112.85
2001	35,355,000	116,052	11,285,000	23,953,948	0.41%	85.38
2000	36,745,000	120,918	10,240,000	26,384,082	0.48%	94.46
1999	39,955,000	78,781	11,125,000	28,751,219	0.55%	100.84
1998	43,135,000	75,207	12,020,000	31,039,793	0.62%	108.58

Source: Ingham County Comprehensive Annual Financial Report

Table 11
Unaudited

INGHAM COUNTY, MICHIGAN
Computation of Net Direct and Overlapping Debt
December 31,2007

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
Direct debt			
General obligation bonds	\$ 22,520,000	\$ -	\$ 22,520,000
General obligation bonds - enterprise funds	6,675,000	6,675,000	-
Notes, loans and capital leases	1,434,392	-	1,434,392
Delinquent tax notes	8,200,000	8,200,000	-
Drain bonds and notes	24,286,220	24,286,220	-
Brownfield redevelopment bonds	1,985,000	-	1,985,000
Airport revenue refunding bonds	12,450,000	12,450,000	-
Joint building authority bonds	10,100,000	5,438,790	4,661,210
	<u>\$ 87,650,612</u>	<u>\$ 57,050,010</u>	<u>30,600,602</u>
Total direct debt			
Overlapping debt			
Cities			92,172,694
Townships			38,452,546
Villages			2,899,616
Local school districts			467,751,638
Intermediate school districts			47,988
Community college			50,159,148
			<u>651,483,630</u>
Total overlapping debt			
Total direct and overlapping debt			<u><u>\$ 682,084,232</u></u>

Source - Ingham County Financial Services Division and Municipal Advisory Council of Michigan.

INGHAM COUNTY, MICHIGAN
Legal Debt Margin
Last Ten Years

Legal debt margin calculation for 2007

Assessed value (state equalized value)	<u>\$ 9,714,044,382</u>
Debt limit (10% of assessed value)	\$ 971,404,438
Amount of debt applicable to limit	<u>87,650,612</u>
Legal debt margin	<u><u>\$ 883,753,826</u></u>

	<u>Debt Limit</u>	<u>Net Applicable Debt</u>	<u>Legal Debt Margin</u>	<u>Ratio</u>
2007	\$ 971,404,438	\$87,650,612	\$ 883,753,826	9.02%
2006	943,902,853	56,907,725	886,995,128	6.03%
2005	903,553,304	63,940,000	839,613,304	7.08%
2004	852,410,694	63,749,000	788,661,694	7.48%
2003	795,210,495	62,726,462	732,484,033	7.89%
2002	734,989,198	46,948,253	688,040,945	6.39%
2001	674,943,355	41,439,600	633,503,755	6.14%
2000	616,113,512	66,872,800	549,240,712	10.85%
1999	575,880,580	56,405,000	519,475,580	9.79%
1998	534,721,911	65,324,793	469,397,118	12.22%

Source: Ingham County Financial Services Division

Table 13
Unaudited

INGHAM COUNTY, MICHIGAN
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>(a) Population</u>	<u>Personal Income</u>	<u>(a) Per Capita Income</u>	<u>(b) Unemployment Rate</u>
2007	279,295	\$ 8,540,516,352 (A)	\$ 30,656 (A)	6.0%
2006	279,995	8,540,516,352 (A)	30,656 (A)	6.3%
2005	281,002	8,540,516,352	30,656	5.7%
2004	280,073	8,182,052,622	29,214	6.3%
2003	282,030	8,110,054,680	28,756	5.4%
2002	281,504	7,812,017,504	27,751	4.2%
2001	280,562	7,639,422,698	27,229	3.5%
2000	279,320	7,396,672,920	26,481	2.6%
1999	285,123	7,230,719,280	25,360	2.4%
1998	285,874	6,850,398,662	23,963	3.3%

Sources:

(a) U.S. Bureau of the Census

(b) Michigan Department of Labor and Economic Growth

n/a = not available.

(A) - Personal income and per capital income data for 2007 and 2006 not available at time of publication.

Table 14
Unaudited

INGHAM COUNTY, MICHIGAN
Principal Employers
Current Year and Nine Years Ago

Employer	Industry	2007			1998		
		Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
State of Michigan	Government	15,800	1	11.0%	20,000	1	13.5%
Michigan State University	Higher education	12,300	2	8.6%	12,300	3	8.3%
General Motors Corporation	Automotive	11,500	3	8.0%	16,000	2	10.8%
Sparrow Hospital	Health care	6,000	4	4.2%	3,500	5	2.4%
Meijer, Inc.	Retail	3,800	5	2.6%	3,800	4	2.6%
Lansing School District	Education	3,500	6	2.4%	3,500	6	2.4%
Ingham Regional Medical Center	Health care	2,800	7	2.0%	2,800	7	1.9%
Lansing Community College	Education	2,000	8	1.4%	2,000	8	1.4%
U.S. Postal Service	Government	1,300	9	0.9%	1,300	10	0.9%
City of Lansing	Government	1,295	10	0.9%	-	-	-
St. Lawrence Hospital	Health care	-	-	-	1,700	9	1.2%
Total persons employed by the ten largest employers		60,295		42.0%	66,900		45.3%
Persons employed by other employers		83,139		58.0%	80,833		54.7%
Total employment		143,434		100.0%	147,733		100.0%

Source: Michigan Department of Labor and Economic Growth

Table 15
Unaudited

INGHAM COUNTY, MICHIGAN
County Employees by Department
Last Ten Years

Department	Full Time Employees as of December 31									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Animal Control	18	16	18	17	17	17	16	17	18	18
Board of Commissioners	2	2	3	3	3	3	3	3	4	4
Controller	12	14	15	15	14	12	11	12	12	8
Development	2	3	3	1	1	1	1	1	1	-
Equalization	8	8	8	7	6	6	7	6	7	7
Human Resources	8	8	8	8	8	8	8	8	7	8
Financial Services	10	9	10	11	10	9	9	9	10	10
Facilities/Maintenance	38	37	35	29	29	31	30	30	31	32
Purchasing	-	-	-	6	6	6	6	6	5	5
Management Info Systems	15	16	15	18	19	19	20	20	21	19
Cooperative Extension	8	8	8	7	7	8	7	7	7	6
County Clerk	8	8	8	8	7	6	7	7	9	10
District Court	18	18	19	19	20	20	20	23	23	25
Drain Commission	18	18	18	17	18	18	17	18	23	23
Fair Board	5	4	4	5	5	5	4	4	4	5
Health Department	258	267	282	307	309	300	302	306	305	315
Parks	11	12	12	13	12	14	14	14	14	14
Probate Court	10	10	10	9	7	6	8	9	11	13
Prosecuting Attorney	61	62	59	63	66	66	65	68	61	64
Register of Deeds	8	8	8	7	8	8	8	8	8	8
Sheriff	202	206	209	209	209	203	217	215	212	207
Treasurer	6	6	6	3	5	5	5	6	8	9
Veterans Affairs	5	5	5	5	5	4	4	4	4	4
Circuit Court	172	179	178	173	181	181	196	191	191	189
Zoo	-	-	-	-	-	-	-	-	-	21
Total	903	924	941	960	972	956	985	992	996	1,024

Source: Ingham County Human Resources

Note: Excludes temporaries, elected officials' appointed staff, and work study.

INGHAM COUNTY, MICHIGAN
Operating Indicators by Function/Program
Last Ten Years

Function	1998	1999	2000	2001	2002
Health					
Immunizations (children and adults)	62,434	58,523	50,275	52,670	48,893
IHP enrollment (average monthly)	4,197	6,000	11,500	11,612	15,836
Fixed food service (number licensed)	1,031	996	973	1,036	892
Public health nursing home visits	n/a	n/a	n/a	n/a	n/a
Parks					
Visitation (based on car counts)	n/a	869,062	842,349	882,037	934,514
Animal Control					
Pet adoptions	515	668	750	1,433	1,433
Drain Commission					
Drain crew maintenance projects	750	765	821	817	825
Circuit Court					
Number of cases filed	7,054	7,513	9,609	10,020	8,157
District Court					
New case filings	31,938	32,700	1,139	30,602	36,182
Cases disposed	n/a	n/a	n/a	30,004	44,416

Source: Ingham County Financial Services Division

Table 16
Unaudited

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
39,563	40,000	40,279	38,480	38,000
13,374	16,000	14,700	15,056	17,000
936	1,030	952	1,132	980
3,646	3,472	3,599	3,451	4,000
1,040,965	1,138,893	1,185,800	1,219,803	1,250,000
1,631	1,627	1,642	1,686	1,770
840	840	840	852	850
10,420	11,444	10,566	12,003	13,400
36,279	36,522	31,731	32,592	34,600
41,346	34,908	29,218	30,946	30,500

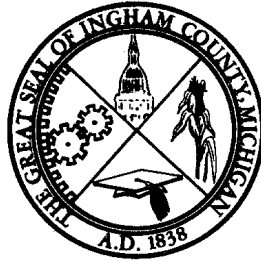
INGHAM COUNTY, MICHIGAN
Capital Asset Statistics by Function/Program
Last Ten Years

Function	1998	1999	2000	2001	2002
Public safety					
Police protection					
Jail capacity (inmates)	472	575	575	575	575
Vehicles					
Patrol units	38	38	45	45	45
Paramedic units	10	7	7	7	7
Powerboats	1	1	2	2	2
Public works					
Roads					
Primary (miles)	427	430	430	430	430
Local non-subdivision					
Paved	402	437	437	443	447
Gravel	155	118	118	111	107
Local subdivision					
Paved	195	236	236	239	242
Gravel	5	4	4	4	4
Bridges					
Primary	32	32	32	32	32
Local	36	36	36	36	36
Recreation and cultural					
Park land (acres)	1,063	1,163	1,160	1,300	1,300
Trails (miles)	13	13	21	21	21
Beaches	2	2	3	3	3
Picnic areas	11	11	15	15	15
Softball fields	4	4	4	4	4
Soccer fields	-	-	-	9	9

Table 17
Unaudited

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
575	665	665	665	665
45	45	45	45	30
7	7	7	7	0
2	2	2	2	20
431	430	430	430	434
449	458	458	458	462
104	95	95	95	87
246	252	252	252	265
4	4	4	4	2
32	32	32	32	32
36	36	36	36	36
1,300	1,400	1,400	1,400	1,400
21	21	21	21	17
3	3	3	3	3
15	15	15	15	16
4	4	4	4	4
9	9	9	9	8

INGHAM COUNTY, MICHIGAN



SINGLE AUDIT ACT COMPLIANCE

**For The Year Ended
December 31, 2007**



REHMANN ROBSON

Certified Public Accountants

**INGHAM COUNTY, MICHIGAN
SINGLE AUDIT**

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INGHAM COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<u>Direct Program</u>			
Food Distribution	10.550		\$ 3,332
<u>Passed-through the Michigan Department of Education</u>			
School Breakfast Program	10.553		12,729
National School Lunch Program:			
Section 4	10.555		1,837
Section 11	10.555		17,631
Total passed-through the Michigan Department of Education			32,197
<u>Passed-through the Michigan Department of Community Health</u>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		907,420
Total U.S. Department of Agriculture			942,949
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<u>Direct Programs</u>			
Low Income Housing Assistance Program - Operating Subsidy	14.850		108,481
Section 8 Housing Choice Vouchers	14.871	MI-168-VO-0001	391,581
Public Housing Capital Fund Program	14.872		101,354
Total Direct Programs			601,416
<u>Passed-through the Michigan State Housing Development Authority</u>			
Community Development Block Grants	14.228	MSC 2002-0552-HO	31,616
Community Development Block Grants	14.228	MSC 2002-0552-HOA	27,754
Community Development Block Grants	14.228	MSC 2004-0552-HO	117,959
Total passed-through the Michigan State Housing Development Authority			177,329
<u>Passed-through the Michigan Department of Community Health</u>			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900		86,167
Total U.S. Department of Housing and Urban Development			864,912
			continued...

INGHAM COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<u>Direct Programs</u>			
Domestic Assault Response Team	16.590	2005WEAX0094	\$ 198,076
Gang Resistance Education and Training	16.737	2006JVFX0026	174,836
Total Direct Programs			372,912
<u>Passed-through Michigan Crime Victim Services Commission</u>			
Victims of Crime Act	16.575	20636-9V05	61,574
<u>Passed-through the Michigan Department of Human Services</u>			
Juvenile Justice and Delinquency Prevention - Comprehensive Strategy	16.540	JJCSI 06-33001	49,656
Title V - Delinquency Prevention Program	16.548	DP 06-33001-2	27,847
Total passed-through the Michigan Department of Human Services			77,503
<u>Passed-through the Michigan Office of Drug Control Policy</u>			
Byrne Formula Grant Program:			
Special Prosecution Unit	16.579	70901-7-07-B	113,665
Sobriety Drug Court	16.579	72148-4-07-B	22,093
Total passed-through the Michigan Office of Drug Control Policy			135,758
<u>Passed-through the City of Lansing:</u>			
COPS Interoperable Communications Technology Program	16.710	2005INWX0009	20,520
Total U.S. Department of Justice			668,267
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<u>Passed-through the Michigan Office of Highway Safety Planning</u>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		1,870
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
<u>Direct Programs</u>			
Brownfield Assessment and Cleanup	66.818		41,607
<u>Passed-through Michigan Department of Environmental Quality</u>			
Capitalization Grants for Drinking Water State Revolving Funds -			
Arsenic Rule Implementation	66.468		480
Operator Certification	66.471		4,200
Total Passed-through the Michigan Department of Environmental Quality			4,680
Total U.S. Environmental Protection Agency			46,287

continued...

INGHAM COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<u>Passed-through Michigan Department of Education and University of Michigan</u> Great Start	84.349		\$ 3,555
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Passed-through the Michigan Department of Natural Resources</u> Boating and Safety Financial Assistance	97.012		6,208
<u>Passed-through the Michigan Department of State Police</u> Homeland Security Grant Program--EMPG	97.042		34,480
Homeland Security Grant Program	97.067		692,545
Total passed-through the Michigan Department of State Police			727,025
Total U.S. Department of Homeland Security			733,233
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<u>Direct Programs</u> Medical Reserve Corps Samll Grant Program	93.008		57,343
Compassion Capital Fund (Demo)	93.009		320,865
Consolidated Health Centers (Health Care for the Homeless)	93.224		159,638
Total Direct Programs			537,846
<u>Passed-through the Michigan Supreme Court/ State Court Administrative Office</u> Access and Visitation Grant Program	93.597		3,312
<u>Passed-through Capital Area Community Services</u> Head Start	93.600		49,908
<u>Passed-through the Mid South Substance Abuse Commission</u> Prevention and Treatment of Substance Abuse Block Grant	93.959		16,476
<u>Passed-through the Michigan Department of Community Health</u> Tuberculosis Control Programs	93.116		11,798
Family Planning - Services	93.217		355,763
Childhood Immunization Grants	93.268		130,522
Immunization Grants-- Value of Vaccines Provided	93.268		1,828,131
Family Planning - Joint Demo Project	93.283		11,076
Public Health Preparedness	93.283		329,492
Wisewoman	93.283		21,178
Breast and Cervical Cancer Control Program	93.283		293,231
Medical Assistance Program (Medicaid)	93.778		1,503,225
HIV Care Formula Grant	93.917		60,000
HIV Prevention Program - HIV/AIDS Counseling and Testing	93.940		174,381
Preventative Health--STD Control Grant	93.977		3,478
Preventative Health and Health Services Block Grant	93.991		18,165

continued...

INGHAM COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Maternal and Child Health Services Block Grant	93.994		\$ 352,313
Adolescent Family Life: Demonstration Projects	93.995		226,090
Total Passed-through the Michigan Department of Community Health			<u>5,318,843</u>
<u>Passed-through the Michigan Department of Human Services</u>			
Promoting Safe and Stable Families	93.556		7,500
Temporary Assistance for Needy Families	93.558	CTFPR 03-33001	251,729
Child Support Enforcement:			
Friend of Court	93.563	CS/FOC-33001	2,758,585
Prosecuting Attorney	93.563	CS/PA-33002	576,706
Incentive Payments	93.563		571,783
Refugee Medical Assistance	93.566	RA 02-33001	211,200
Child Care Development Block Grant	93.575		<u>505,764</u>
Total Passed-through the Michigan Department of Human Services			<u>4,883,267</u>
Total U.S. Department of Health and Human Services			<u>10,809,652</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
<u>Direct Programs</u>			
Volunteers in Service to America	94.013		<u>18,250</u>
TOTAL FEDERAL AWARDS			<u>\$ 14,088,975</u>

INGHAM COUNTY, MICHIGAN

Notes To Schedule Of Expenditures Of Federal Awards

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ingham County, Michigan (the "County") and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

* * * * *



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

June 10, 2008

To the Board of Commissioners
of Ingham County
Mason, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Ingham County, Michigan*, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 10, 2008. We did not audit the financial statements of the Ingham County Road Commission, which represents 55.2% of the assets and 79.5% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the Ingham County Road Commission is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered *Ingham County, Michigan's* internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2007-1 and 2007-2 to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that item 2007-2 of the significant deficiencies described in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether *Ingham County, Michigan's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and the report of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Ingham County in a separate letter dated June 10, 2008.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

June 10, 2008

To the Board of Commissioners
of Ingham County
Mason, Michigan

Compliance

We have audited the compliance of *Ingham County, Michigan* (the "County") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 10, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the financial statements of the Ingham County Road Commission that represents 55.2% of the assets and 79.5% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report was furnished to us, and our opinion, insofar as it relates to the amounts included for the Ingham County Road Commission is based solely on the report of the other auditors.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style with a large initial 'L'.

INGHAM COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2007

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified
not considered to be material weaknesses? X yes none reported

Noncompliance material to financial statements
noted? yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified
not considered to be material weaknesses? yes X none reported

Type of auditors' report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)? yes X no

INGHAM COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended December 31, 2007

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Women, Infants and Children
93.268	Immunization
93.283	CFDCP - Investigation Tech. Assist.
93.563	Child Support Enforcement
93.575	Child Care & Development Block Grant

Dollar threshold used to distinguish
between Type A and Type B programs:

\$422,669

Auditee qualified as low-risk auditee?

_____ yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS

2007-1 Separation of Duties / Journal Entry Review and Approval

Criteria:	It is universally accepted that certain responsibilities within an entity should be segregated to prevent or detect fraud and errors that could affect the financial statements. In the event that adequate segregation of duties is not possible, a system of review should be in place to detect possible fraud or errors.
Condition:	Inadequate segregation of duties exists between the payroll and general ledger functions. Also, during our test of journal entries we noted four instances where adequate documentation of review was not available for entries occurring after July 1, 2007 (the approximate date that procedures were put in place to address the similar prior year finding).
Cause:	The payroll coordinator has access to the general journal entry function in the accounting software. For the journal entry review and approval, it appears that several items slipped through as the new procedure was implemented.

INGHAM COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended December 31, 2007

SECTION II – FINANCIAL STATEMENT FINDINGS (CONCLUDED)

2007-1 Separation of duties and inadequate journal entry review (concluded)

Effect: The combination of inadequate segregation and review could potentially allow fraud or errors to occur that would not be detected timely during the normal course of business.

Recommendation: We recommend that the County implement controls to limit access to the general journal entry function in the accounting software to exclude the payroll coordinator. We also recommend that the County implement a process where review of all general journal entries would take place and be documented.

Management's
Response: The County will take the appropriate steps to address these items.

2007-2 Material Audit Adjustments

Criteria: Governmental entities are required to prepare and maintain a reasonably adjusted trial balance.

Condition: The County failed to correctly adjust its investments and deferred property tax revenue as of year end.

Cause: The market value adjustment error took place during the journal entry process that was not caught during review. The deferred property tax revenue adjustment was missed as an oversight.

Effect: Initially the county's investments and deferred property tax revenues were understated by \$479,544 and \$3,781,024, respectively.

Recommendation: We recommend that the County review its process of reconciling the cash and investment balances, including market value, to the corresponding general ledger accounts, and that all adjustments involved in this process be reviewed and documented. We also recommend that the County perform analytic type procedures to verify that the amounts booked at year end for property tax revenue and the related deferral are within expectation.

INGHAM COUNTY, MICHIGAN

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended December 31, 2007

Management's

Response:

The County will take the appropriate steps to address these items.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – PRIOR YEAR FINDINGS

None.

* * * * *



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



June 10, 2008

To the Board of Commissioners
Ingham County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of *Ingham County, Michigan* (the "County") for the year ended December 31, 2007, and have issued our report thereon dated June 10, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated January 7, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on March 10, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the County are described in Note 1 to the financial statements.

As presented in Note IV.D. to the financial statements, the County adopted Statement of Governmental Accounting Standards (GASB Statement) No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The County was required to adopt GASB 45 for 2007. The effect of implementing GASB 45 was to record a net other postemployment benefit liability of \$6,832,704 for the difference between the actuarial required contribution to the retiree healthcare trust and the actual contributions. The implementation also necessitated additional note disclosures but did not result in the restatement of beginning net assets/fund balances.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the collectability of certain medical care facility receivables from first and third party payers is based on an aging and expected collection analysis.
- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.

We evaluated the key factors assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatement was detected as a result of audit procedures and was corrected by management:

The fair value of investments (i.e., commercial paper) was misstated by \$479,544, having a material effect on the general fund, emergency telephone services fund, and the governmental activities in the government-wide financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 10, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to an entity’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the Ingham County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lehmann Johnson". The signature is written in a cursive, flowing style with a large initial 'L'.

Ingham County

Comments and Recommendations

For the Year Ended December 31, 2007

In planning and performing our audit of the financial statements of Ingham County, Michigan as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. The deficiencies we noted that we consider to be significant deficiencies are described in the Schedule of Findings and Questioned Costs in the County's Single Audit report.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. The deficiencies we noted that we consider to be material weaknesses are described in the Schedule of Findings and Questioned Costs in the County's Single Audit report.

Other Matters

- During our risk assessment process and capital asset testing, it came to our attention that there are no procedures in place to track capital assets purchased with federal grants. If capital assets were to be purchased, without an adequate system to track the assets, the county would be unable to comply with federal compliance requirements.
- During our risk assessment process and grant testing, it came to our attention that management was unaware of suspension and debarment requirements outlined in the OMB Circular A-133 Compliance Supplement. Federal regulations require that vendors awarded contracts in excess of \$25,000 using federal grant funds and all subrecipients of federal awards are to be verified as neither suspended nor debarred.

Ingham County

Comments and Recommendations (Concluded)

For the Year Ended December 31, 2007

Other Matters (Concluded)

- During our risk assessment process and payroll testing, it came to our attention that one employee from each department is responsible for inputting hours worked to the Munis system for all time worked in the department. During this process, these employees have access to the hourly rates associated with each pay code, and could intentionally or erroneously change the pay rate for anyone in the department. We consider this access to be a control deficiency that would be significant if each payroll register were not being reviewed by an appropriate person in each department, which is currently the case.

* * * * *